United States Court of Appeals
for the Second Circuit

SUPPLEMENTAL APPENDIX

Orig affidavit of mailing

77-1134

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

Docket No. 77-1134

B

P/S

UNITED STATES OF AMERICA,

Appellee,

-against-

GEORGE MOSS and AMERICAN
IDENTIFICATION PRODUCTS,

Appellants.

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NEW YORK

SUPPLEMENTAL APPENDIX

UNITED STATES COURT OF APPEALS
FILED
JUN 20 1977
A. DANIEL FUSARO, CLERK
SECOND CIRCUIT

DAVID G. TRAGER
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Eastern District of New York

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though you've already been appointed trustee?

A Yes.

Q Does that happen with relative frequency?

A Well, it usually does happen, let's say, in the early part of a proceeding, when it's a bankruptcy or an assignment, in which event they would usually mail the check to me and I would deposit it into the estate account.

Q When you say, "they," whom do you mean?

A The debtor, and officer of the debtor.

Q In this context, you mean, debtor as the bankrupt?

A Of course.

Q What do you do, let us say, with a check that is sent to the bankrupt which is then forwarded on to you?

A Deposit it into the estate account.

Q As a matter of practice and as a matter of office policy, do you have a particular way by which you negotiate, let us say, a check that's forwarded to you by a bankrupt who has received such a check? What do you do with the check, in other words?

A I endorse it on the back and I deposit it into the estate account.

Q Now, directing your attention to the name Stafford Manufacturing Company, did there come a time when you

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became familiar with that name?

A Yes. I became the trustee in bankruptcy in that account.

Q Was that after an order of ajudication of bankruptcy?

A That is correct.

MR. LEVIN-EPSTEIN: Your Honor, I offer Government's Exhibit 9 for identification, a certified copy of a document entitled petition and order for appraisal and sale, in evidence.

MR. TAIKEFF: No objection.

MR. SHERMAN: No objection.

MR. LEVIN_EPSTEIN: I ask that it be marked, your Honor.

THE CLERK: Government's Exhibit 9, petition and order for appraisal and sale, marked in evidence.

(So marked.)

MR. LEVIN-EPSTEIN: With the court's permission?

THE COURT: All right.

(Continued on next page.)

T 2 pm
R 3
GR/bw

DIRECT EXAMINATION 3

BY MR. LEVIN-EPSTEIN (Cont'd):

MR. LEVIN-EPSTEIN: Ladies and gentlemen, this is a certified copy of a record maintained in the Bankruptcy Court of this district. It reads as fol[illegible]

"To the Honorable Manuel J. Price, referee in Bankruptcy, the petition of Marks M. Gold, respectfully states that he is the trustee herein-- by the way, the title is in the matter of Stafford Manufacturing Company, debtor. That he is the trustee herein, duly qualified and act as such. The petition for arraignment under Chapter XI of the Bankruptcy Act was hereto forfiled by the Bankruptcy on August 7, 1970 and thereafter on August 10, 1972, the bankrupt was duly adjudicated as such after it had failed to consummate and have confirmed its plan of arrangement. That the bankrupt was engaged in the business of manufacturing name plates and marketing devices with a place of business at 145 58th Street and that there are assets at the present time situated at said address which are of the probable value at that time of $5,000; consisting of steel, machinery, fixtures and equipment, wherefore the petitioner appraise for the

2 next order of a practical and sale of said assets upon 10 days notice dated August 17.

BY MR. LEVIN-EPSTEIN (Cont'd):

Q Is this your signature, signing it, Mr. Goldhaber, as trustee?

A Yes, it is. That is a copy, isn't it?

Q Yes, it is.

A Yes, it is.

Q Now, after you were appointed trustee in this case and you petitioned for the sale and so on, about that time did there come a time when you set-up a bank account in the name of the estate of Stafford Manufacturing?

A Yes.

Q Bankrupt?

A Yes.

Q And did you set that bank account up for the purpose that you have just described, of receiving those monies and then making certain disbursements under the specification of the Court?

A Yes.

Q Now, in this case, the Stafford case, did there come a time when you got this bankrupt's books and records?

A Yes.

Q And after receiving this bankrupt's books and

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Q Did you ever hear about certain bench master, bench presses?

A That, I can's say, because --

Q Very well then.

A Presses, we had.

Q I direct your attention -- just a moment, please. I would ask you to look through your check book there, Government's Exhibit 11 in evidence, and would you tell the jury, please, whether there is any reference in your check book at all of ever having received a check from the Sperry Gyroscope Company, made out in the amount of $1,122.43?

A What date?

Q If you will allow me a moment, I'll tell you. That check would be dated -- if you will bear with me a moment, Mr. Goldhaber. September 22, 1972.

A What was the amount?

Q $1,122.43.

A No, I have no record of having received such a check.

Q Did you ever receive or did you ever receive notice of a check made out to Stafford Manufacturing Company from the Sperry Gyroscope Company in the amount of $236.75, dated August 25, 1972?

A I have no record of any such check.

11 THE COURT: What was the amount of that check again?

MR. LEVIN-EPSTEIN: I beg your pardon, your Honor?

THE COURT: The amount of the check?

MR. LEVIN-EPSTEIN: The amount of the check is $236.75.

Q Did there ever come a time during the course of your status as trustee in this estate, that you received any notice at all from Mr. Moss or anybody about a check made out in the amount of $200.29 from Sperry to Stafford dated September 1, 1972?

A I have no surch record in my book.

(Continued next page)

Q During the course of your association with this estate as trustee, did there ever come a time, sir, when you received notification of any kind whatsoever with respect to a check made out to Stafford from the Surless Ship Company in the amount of $1,000, which check was dated September 1, 1972?

A I have no such record in my books at all.

Q What about a check from the Surless Ship Company dated October 9, 1972 in the amountof $1,500?

A I have no such record at all.

Q If such checks were accounts receivables of the corporate bankrupt, would you have been notified?

A Well, counsel would have made demand for payment.

Q To your knowledge, did you know that these checks ever came in?

A Not to my knowledge. Could I see the endorsement on them?

Q Mr. Goldhaber, I show you copies of Government's -- I beg your pardon. I show you Government Exhibits 31 and 33 for identification. I ask you if you have ever seen either or both of those documents before? You may examine whatever portion of them you wish.

A I have never seen them.

MR. LEVIN-EPSTEIN: I will ask the Court to consider these documents at this time although they are not being offered as of yet. Ihand them up to the Court for the Court's review.

THE COURT: You are notoffering them at this point?

MR. LEVIN-EPSTEIN: I can represent to the Court that they will be offered, but I don't believe that the appropriate foundation, a proper foundation for these checks has yet been adduced from the witness stand.

THE COURT: You have never seen those checks?

THE WITNESS: No, your Honor.

Q Mr. Goldhaber, I show you what has been marked for identification as Government Exhibits 35, 37 and 39. I ask you if you have ever seen any of those three documents before. Please examine them, both sides of them, if you would.

A No, I have never seen these checks before.

MR. LEVIN-EPSTEIN: I will ask the Court to consider them. Although they are not being offered at this time, however, they will be offered at a subsequent time during the course of this trial.

THE COURT: All right.

Q Now, Mr.Goldhaber, as periods of time elapsed, when you are the trustee of the bankrupt estate and as you werethe trustee of this bankrupt estate, Stafford, do you make period reports to the Court of the receipt of such things as these checks?

A Yes.

Q Are these called reports of the trustee?

A Yes.

Q I show you what has been marked as Government Exhibit 14 for identification.

MR. LEVIN-EPSTEIN: And, your Honor, I will ask that it be marked in evidence, a certified copy of a [illegible]cument appearing in the bankruptcy court of this district, along with Government Exhibit 15 for identification which is also a certified copy.

MR. TAIKEFF: No objection.

MR. SHERMAN: No objection.

MR. LEVIN-EPSTEIN: I ask that they be marked, your Honor.

THE CLERK: Government Exhibits 1~~3~~4 and 15 marked in evidence.

(So marked.)

Q I show you what has been marked in evidence as Government Exhibits 14 and 15, Mr. Goldhaber. I ask you, in fact, aren't these the trustees first and second reports to the bankruptcy court?

A Yes, they are.

Q Or certified copies of those reports?

A Yes.

Q Will you tell us whether ornot anywhere in either or those two reports any mention of the five checks that I have described is made by you?

A No mention is made of those five checks.

Q Would it be fair to say that you list every check that you receive in the reports?

A Yes, sir.

Q Could you tell the jury, please, what the time period encompassed by those two reports is?

A The first report covers the period to September 12th of 1972 from the inception of the bankruptcy.

Q What date was that?

A That was August, wasn't it? The date of adjudication, when I took over.

Q August 10th?

A Yes, sir. The second covers from September 12th to February 5th of 1973.

Q So from August 10th of 1972 through February 5th of 1973, would it be fair to say that pursuant and according to these reports certified from the Bankruptcy Court, you have never received any of those checks?

A That's right.

Q During the course of your tenure as trustee in bankruptcy of this estate, did you ever receive or did you ever see or were you ever told in any way about a motor vehicle, a registration for a 1967 GMC truck, yellow in color?

A In the Stafford estate?

Q Yes, sir.

A No, sir.

Q What about a 1969 Chevrolet station wagon?

A Not to my knowledge. I don't remember that at all.

Q Is there any document in your books, records or file which would refresh your recollection as to whether or not you ever received a motor vehicle registration such as the one I have described?

A No, sir. Do you mean received a registration?

Q Either received it or be told about it.

A I don't recall, sir, having ever had seen or receiving.

Q During the courseof your many years as trustee in bankruptcy in various estates, has there ever been an occasion where you have had motor vehicles belonging to the bankrupt?

A Oh, sure.

Q Does that happen with relative frequency?

A Yes.

Q Did there ever come a time when you are given or told about these documents relating to motor vehicles such as a registration?

A If we have a vehicle? We have to have the registration and we usually get it either at the time of adjudication or before the sale. They are turned over to the auctioneer who has to sell the vehicles with the registration.

Q In other words, the registration --

A He needs it to give a transfer.

Q I am sorry.

A He has to transfer title.

MR. LEVIN-EPSTEIN: Thank you, Mr. Goldhaber. I have no further questions.

THE WITNESS: Thank you.

THE COURT: Wait right there.

MR. TAIKEFF: May I inquire, your Honor?

THE COURT: Yes, please do, Mr. Taikeff.

CROSS-EXAMINATION

BY MR. TAIKEFF:

Q In the course of your duties as a trustee, do you have any personal contact with George Moss?

Q How long did you work on the assembly line at Stafford?

A Ten years.

Q So directing your attention to approximately 1970, ten years after you began working there, did your job change in some way?

A Yes.

Q And what did you become at Stafford in 1970 or thereabouts?

A I was a truck driver and a stationwagon driver.

Q A driver?

A Driver, yes.

Q What did you drive, sir?

A Drive a truck and a stationwagon.

Q Do you recall what kind of a truck it was?

A 1967 GMC.

Q What color was it?

A Yellow one.

Q What kind of a stationwagon was it?

A Yellow one.

Q What brand model, do you recall?

A Chevrolet.

Q Do you know what year?

A '69.

purpose only.

MR. LEVIN-EPSTEIN: Thank you.

May I have the last question?

(Question read.)

Q You can answer that, now.

A He told me to take some machinery to Long Beach.

Q Where did this machinery come from?

A Stafford Manufacturing.

Q From the shop area?

A Yes.

MR. TAIKEFF: Objection to leading.

Q When you worked on the assembly line for Stafford, did you assemble this machinery? Was this machinery that you were told to remove, was this a product of Stafford?

A No.

Q What was it, then?

A He'd buy it.

Q After he bought it, what did he do with it?

A It was used in the factory.

Q It was used for manufacturing?

A Yes.

Q Can you describe to the best of your recollection, on August 10th, what the machinery was that you removed?

A A punch press --

Q You have to slow down.

A Two press machines and a die press machine, two drill presses --

Q Go on.

A -- and parts of machinery.

Q Mr. Seifer, I am sometimes repeating your answers only because I want to make sure the record is clear.

When I repeat your answers, if I have misstated something that you said or I have not understood you, please correct me.

A Yes.

Q Now, when Mr. Moss told you to take this machinery out of the shop and take it out to Long Beach, did he tell you how he wanted it transported?

A No, sir, he no tell me. He tell the foreman.

Q Did you have a conversation with the foreman after that?

A Yes.

Q By the way, who was the foreman?

A He is a colored foreman, Matthews -- William Matthews.

Q Matthews, William?

Q What did you drive back to the shop in?

In other words, did you drive the truck back to the shop?

A Yes.

Q The yellow truck?

A Yes.

Q Did George Gross and the others go with you?

A All again was there.

Q Did there come a time then, after you dropped the truck off at the shop, when you left work for the day?

A I go to the station wagon after.

Q After working with the station wagon, did you leave work?

A Yes.

Q Is that the 196~~7~~9 yellow station wagon?

A Yes.

Q Drawing attention to the following day, August 11, 1972, the next day did there come a time when you arrived at work that morning at Stafford?

A Yes.

Q Did you have a conversation with Mr. George Moss about the truck on that morning?

A At that time I had no conversation.

Q Who did you have the conversation with about

Q Who was it?

A American Identification.

Q How long did they rent the second U-Haul truck?

A About a month.

Q Until about the end of October?

A Yes.

Q Now, directing your attention, sir, to April of 1973, the springtime of 1973, did there come a time at approximately that time when you had a conversation with Mr. George Moss about a truck, that you recall?

A Yes.

Q What did he say to you, sir, and what did you say in response?

A He said to me I buy a truck the same type of truck as before, 1967 GMC.

Q Buy the same type of truck?

A Yes.

Q What was your understanding of his meaning?

A The same truck, '67 GMC.

Q What did you say to him?

A He said okay.

Q What did he say to you then?

A He said to me, you have to go out and pick it up.

Seifer-direct

Q Did he tell you where to go pick up the truck?

A Not Mr. George Moss, Nat Moss sent out.

Q Where did Mr. George Moss' brother Nat send you to get the new truck?

A This Lynbrook.

Q Did you take anything with you out to Lynbrook to pick up the truck?

A I take a check and a note.

Q What kind of a check was this?

A The check was American Identification check.

Q Was this check given by you to someone?

A Give it to the mechanic, the owner, I don't know who it was.

Q When you got to Lynbrook to this place where you were sent, did there come a time when you arrived out there that you met with this mechanic as you described him?

A I go inside the office, I say Mr. Moss send over to pick up the truck.

Q What happened then?

A The guy go across the street, you check on the truck if everything all right, I go outside and sat in the truck and I look in the truck, it was so familiar to me.

Q It was familiar to you? Let me ask you this question: When you went across the street from the place

A I'm 65 years old man. How? I try. I try answer. How you can memory? I -- I don't know when I'm born. I just -- I make a joke. I have a memory, very good, that is good.

Q Okay. What were the dates of the trips you took to Long Island when you say you moved equipment and machinery out of the factory?

A August.

Q In August of what year?

A '72.

Q And what dates? Do you remember the dates?

A Exactly, I don't remember. It could be Monday. It could be Tuesday. Wednesday. I don't know.

Q Could you tell us whether it was August 10th, August 11th, August 12th?

A I know that date, but I don't know -- what day -- what I mean, I don't know the -- was a Sunday or was Monday. I don't know this. Because I don't remember so much.

Q But on your direct testimony you told us about certain things that happened on certain dates. Do you remember that this morning?

A Yes.

Q How do you know what those dates are? How did you know what the dates were?

A Yes.

Q What is that?

A "November truck storage."

Q And the date of the check is?

A "December 22nd, 1972."

Q That is all on the Galgan Realty Corp?

A That's right.

Q On Government's Exhibit 25 in evidence, is there a notation in the upper lefthand corner?

A Yes.

Q What does that say?

A "Rental space, October 31st, 1972."

Q And that check is dated November 5th of 1972?

A November 5 of '72.

Q That is the check, by the way, where you have the notation handwritten on the back "Truck rent"?

A That's right.

Q And the check is dated October 10th, 1972, Government's Exhibit 24 in evidence, and does that a notation in the upper lefthand corner?

A Yes.

Q What is it?

A "Rental September 30th, 1972."

(Document shown to jury.)

Q After a passage oftime, did there come a time when the truck was removed from your property?

A Yes.

Q Do you recall the date?

A I recall the day, but I don't recall the date.

Q I am not asking you for the day of the month.

A I recall the incident.

Q Could you describe what happened on that day?

A On that day a car pulled up to my place, parked in the back, and he told me he is going to take the truck out.

Q Do you know who that man was who told you this?

A No, I don't.

Q Go on.

A I went inside and got the key, gave him the key, he tried -- somebody else tried to start the truck that he had in the car with him, tried to start the truck and he couldn't get the thing started. He asked me if there was a mechanic around. I told him that I don't know if there was any around this area. I said, "You could try down Austin Boulevard."

He apparently went down Austin Boulevard --

MR. TAIKEFF: Objection.

Q After this conversation, what did you observe?

A After this conversation?

A Mr. Moss and the number.

Q What is the phone number?

A 212 492-3400. ✓

Q By the way, this piece of paper apparently says on the back of it, Island Garden Service Station. How come it says that if you have a place called Hilbrandt Auto Body?

A It was a scrap pad that I had gotten somewhere and I used them for scrap.

Q Now, after you went to see this truck at P&A Auto and after you estimated that it would cost $350 for you to paint it and repair it as requested, did there come a time when you communicated this estimate to this telephone number on that slip of paper?

A Probably the same day.

Q Do you have an independent recollection of speaking with Mr. Moss?

A Yes.

Q Do you recall what you told him?

A I told him it would cost $350 for the repairs and painting.

Q What did he tell you?

A He said he would get back to me.

Q Did there come a timeafter that telephone call where you responded to the person who had called you when you were again contacted with reference to this paint job and repair job?

A Right.

Q How were you contacted?

A By phone.

Q And do you know who you spoke to on the telephone at that time?

A Mr. Moss.

Q Same person?

A Yes.

Q What did he say and what did you say then?

A He said he wanted to havethe truck painted and he would send me a purchase order.

Q Did there come a time after you had this conversation when you received such a purchase order?

A Yes. RIght.

Q At my request have you looked through your files to come up with whatever documents exist with respect to this job?

A Yes.

Q I show you what has been marked as Government Exhbit 71 for identification. I ask you if you recognize this document as having come from your files?

A Yes.

Q I'm sorry?

A Yes.

Q This is a photostatic copy?

A This is. There was an original. And I kept this copy.

Q In other words, you made this copy?

A No.

Q I'm sorry. You answer the question.

A There was two copies. Two sent to me. The original and this copy.

Q What did you do with the original?

A I signed the original and sent it back.

Q You signed on the bottom where it says, "Acknowledged."

A Right.

MR. LEVIN-EPSTEIN: I offer it in evidence.

MR. TAIKEFF: No objection.

MR. SHERMAN: No objection.

THE CLERK: Government Exhibit --

MR. LEVIN-EPSTEIN: 71.

With the Court's permission.

THE CLERK: (continuing) Government 71 marked in evidence.

(So marked.)

MR. LEVIN-EPSTEIN: Ladies and gentlemen, this is a document which I will pass among you in a moment.

It is entitled, typewritten, purchase order number 382, dated March 19, 1973, addressed to Hilbrandt Auto Body --

At your address.

Attention John Hilbrandt.

And it says:

Quantity 1.

Description

And then price as follows:

1 5 Ton GMC truck with transportation body (canvas covered) and 4000 pound Anthony left gate to be completely repainted and have all body work done, specifically as follows:

Basic Repairs -

(A) Front fender protective grille on one side slightly damaged.

(B) Passengers door dented. Window to be made operable. If glass is broken or cracked, same to be replaced.

(C) Actual metal body exterior to be repaired where damaged by side opening door.

(D) Inside of body to haveplywood replaced as needed.

(E) Any other dents not mentioned to be repaired. Thereafter, complete truck ,present color yellow to be repainted "American Flag" blue. This includes tail gate, interior of cab (where yellow), 5 wheels and any other place where color yellow was previous.

And then it says in capital letters - NOTE: IMPORTANT- previous owners name shall not show through new paint, even when viewed at an angle. We understand that only grinding-sanding will eliminate this. However, final finish shall be smooth.

Price above complete, as quoted $350 work to be Al-first in every way. Basic paint job to be guaranteed for 5 years against chipped, peeling or bleaching, as normal outdoor exposure will cause. Also, please quote us on having the 2 doors only lettered as follows:

And it says: Our Logo American Identification Products, Inc. 143-145 58 Street, Brooklyn, New York 11220. Telephone 212-492-3400.

All lettering white logo stars red. Complete time- 1 week from date of this order. Delivered to our plant.

American Identification Products,.Inc.

Signed, Nat Moss.

Beneath, it says, Terms: Net 30 and the Resale number.

And then beneath that there is the word, acknowledged and the colon with a blank space and the word date with a colon and the blank space.

(Continued next page)

am2

Hilbrandt-direct

BY MR. LEVIN-EPSTEIN:

Q And now, Mr. Hilbrandt, directing your attention to the lower right quarter of Government's 71 in evidence, there seems to be a hand-written notation there. What do you -- do you recognize that?

A Yes.

Q What does that say?

A $330.

Q What does that mean, $330?

A That was -- when the truck was completed, I called them and I told them I couldn't deliver it. And he said he wouldsend a man down, but we would have to do something about the price. So I knocked off $20.

Q So the final and ultimate price that you received for the work that you didwas $330?

A Right.

Q After the repair work and the painting was done, did there come a time when a man came to pick up the truck?

A Yes.

Q What happened on that date? Could you describe the events of that day as related to this transaction?

A The driver came. He looked at the truck, gave me the check and drove away.

Hilbrandt-direct

MR. TAIKEFF: No objection.

MR. SHERMAN: No objection.

THE CLERK: Government Exhibit 72 marked in evidence.

(So marked.)

Q This bill makes reference to the purchase order that we just read to the jury?

A Yes. The purchase order is on there.

Q That is number 382?

A Yes.

Q Is there a reference on that bill to a check or a means by which you were paid for your work?

A The check number is on it.

Q What check number is there?

A 862.

Q I show you Government Exhibit 73 for identification and I ask you if you recognize this check? Look at it front and back, if you wish.

A Yes. This is my stamp on the back.

Q You recognize it as being placed there by you or someone in your employ?

A Me.

Q By you.

This check was received in the ordinary course of your business?

A Yes.

MR. LEVIN-EPSTEIN: I offer it in evidence.

MR. TAIKEFF: No objection.

MR. SHERMAN: No objection.

MR. LEVIN-EPSTEIN: I ask that it be marked.

THE CLERK: Government Exhibit 73 marked in evidence.

(So marked.)

MR. LEVIN-EPSTEIN: Ladies and gentlemen, Government Exhibit 72 in evidence is a check written on the account of the American Identification Products Inc., check number 862, dated April 6, 1973, and it is madeout to the order of Hilbrandt Autobody for $330, and signed, as per the stipulation we read before by George Moss, in the name Floyd Moss.

On the reverse side we have a notation:

Pay to the order of the Chemical Bank.

Q That's your deposit stamp, is it not, sir?

A Yes.

MR. LEVIN-EPSTEIN: And also the handwritten notation:

In full payment of truck painting as per order -- or PO it says -- number 382. No other moneys due of

Q Right here? That's way down at the other end?

A Red Hook.

Q Now, there came a time when your employment at Sureless terminated and you went to work for Coastal?

A Yes.

Q Why did that happen?

A Because new people were taking over the corporation. The old owner moved out of New York to Florida.

Q You remained in New York?

A That's correct.

Q Now, could you tell us what was your job at Sureless?

A Contact subcontractors, get -- obtain quotations from them to do certain work, issue contracts to them to do the work and expedite the payments on the bills.

Q So you had something to do with Sureless bookkeeping then?

A That's right.

Q During the course of -- how did you work for Sureless?

A Since 1969.

Q During the course of that employment, did you become familiar with their books and records and the documents that they use for billing and everything?

A Yes.

Q I direct your attention to Government's 30 for identification. I ask you if you recognize this document?

A Yes.

Q Have you ever seen that document before?

A Yes.

Q Are documents -- beg your pardon.

Were documents such as those kept and prepared and maintained in the ordinary course of the business of Sureless Company when you worked there?

A Yes, sir.

Q Was that particular document kept, prepared and maintained in the ordinary course of Sureless?

A Yes, sir.

Q I'm sorry?

A Yes, sir.

Q What is that document?

A This is an invoice that has been paid.

Q Thank you.

MR. LEVIN-EPST[illegible] I offer it in evixence.

MR. TAIKEFF: [illegible] objection.

MR. SHERMAN: No objection.

THE COURT: It will be received.

THE CLERK: Government Exhibit 30 marked in evidence.

MR. LEVIN_EPSTEIN: May it please the court, Ladies and Gentlemen, Government's 30 in evidence is a document entitled, original invoice, on the letterhead of the Stafford Manufacturing Company, Inc. It is dated September 1st, 1972. Addressed to Surless Ship Repair and it speaks of a fourth partial.

A What does fourth partial mean, sir?

A That was the last payment. I assume there were four payments on that job order.

Q In other words, this was a bill?

A That was a bill, right. It must have been the final payment.

Q Do you know the name Stafford Manufacturing, sir?

A Yes, sir.

Q In what respect, I beg your padon. What relationship did Stafford Manufacturing bear to Surless when you worked there?

A They were a sub-contractor.

Q In other words, you were a customer of Stafford'

A No, Stafford was our -- we were a customer of Stafford, that is correct.

Q They did work for you and you paid them for it?

A That is correct.

Q Now, is this document -- I see the notation here, the word, paid. Would that indicate that this document was a bill to Surless from Stafford?

A Yes.

Q And what is the amount of the bill?

A $1,000.

Q And what is that $1,000 paid by Surless to Stafford?

A Yes, sir.

Q Was that payment after September 1st, 1972?

A It's marked September 1st, 1972. And the handwriting is very familiar and it was approved. Paid September 1, 1972.

Q Would that have been for work done prior to September 1st of 1972?

A Yes.

Q By the Stafford Manufacturing Company?

A Especially the fourth partial.

Q Especially if it's the fourth partial?

A Yes.

Q I show you Government Exhibit 31 for identification and I ask you if you recollect that photostatic copy?

A Yes.

Q How do you recognize that photostatic copy?

What is there about it that you recognize?

A The name on top of it, the number of the check corresponds with the information on the invoice, the signature of the person who signed it.

Q You know that signature?

A Yes.

Q Was this document -- let me rephrase that question. Do you know what happened to the original of this document?

A The documents were transferred down to Florida.

MR. LEVIN-EPSTEIN: Your Honor, I will represent to the court that best efforts have been made to obtain the original of this document.

MR. TAIKEFF: Your Honor, there is no objection under the best evidence rule.

THE COURT: All right.

MR. LEVIN-EPSTEIN: Offer it in evidence.

MR. TAIKEFF: No objection.

MR. SHERMAN: No objection.

MR. LEVIN-EPSTEIN: That it be marked.

THE COURT: It will be received.

THE CLERK: Government's Exhibit 31 marked in evidence.

(So marked.)

Q Government's Exhibit 31 in evidence, Mr. DeSimone, is a check of the Surless Ship Repair Corporation, is it not?

A Yes.

Q It is made out in the amount of $1,000?

A Yes.

Q Dated September 1st, 1972, to the order of Stafford Manufacturing Company, Inc. I take it that you said you recognized the authorized signature?

A Yes.

MR. LEVIN-EPSTEIN: May it please the court, the reverse side of this check is endorsed apparently, Stafford, George Moss, President, and it is indicated here cashed, H and S Check Cashing Service, September 1st, 1972.

Q I show you Government Exhibit 32 for identification, Mr. DeSimone and I ask if you recognize this document?

A Yes.

Q Do you recognize that? You have to speak up so the reporter --

A Yes.

Q Are documents such as that kept, prepared and maintained in the ordinary course of business of Surless when you were there?

A Yes, sir.

Q The same as the other one?

A Almost identical.

Q Was this the one -- I beg your pardon. Was this document kept prepared and maintained in the ordinary course of business?

A Yes.

Q What?

A This is another invoice for $1500.

Q This is a bill to Surless?

A Bill to Surless.

MR. LEVIN-EPSTEIN: Offer it in evidence.

MR. TAIKEFF: No objection.

MR. SHERMAN: No objection.

THE COURT: It will be received.

THE CLERK: Government's Exhibit 32 marked in evidence.

(So marked.)

MR. LEVIN-EPSTEIN: Ladies and Gentlemen, Government's 32 in evidence is another bill from Stafford to Surless. This bill is dated October 9, 1972. For the amount of $1500, with a notation, Final Amount Due, work completed and the handwritten notation, paid 10,9, with a check number.

Q Is that correct, sir?

A That's correct.

Q That check number would be a Surless check that was cut and sent to Stafford in payment, right?

A That is correct.

Q I show you Government Exhibit 33 for identification and I ask you if you recognize this check? Or rather, this photostatic copy of a check?

A This is a check in payment of the corresponding invoice.

Q In other words, Government's Exhibit 33 for identification paid Government's 32 in evidence?

A Yes.

MR. LEVIN-EPSTEIN: Offer it in evidence, your Honor.

MR. SHERMAN: No objection.

MR. TAIKEFF: The number? No objection.

THE COURT: Received.

THE CLERK: Government's Exhibit 33 marked in evidence.

(So marked.)

MR. LEVIN-EPSTEIN: Government's 33 in evidence as described by Mr. DeSimone, Ladies and Gentlemen, is a Surless check marked, Final Payment, to Stafford

Manufacturing Company, Inc., October 9, 1972, for $1500, on the back it is endorsed Stafford, George Moss, President, and it also has the stamped notation, cashed H and S Check Cashing Service.

Thank you, Mr. DeSimone. I have no further questions. Just one or two other questions, your Honor. I'm sorry.

Q Do you know George Moss?

A Yes.

Q You dealt with him?

A Yes.

Q You deal with him personally when you were at Surless?

A Yes.

Q And you dealt with him with respect to these transactions?

A Yes.

Q Do you know a man by the name of Arnold Rubin?

A No.

Q Did you ever hear that name before?

A No.

MR. LEVIN-EPSTEIN: Thank you. No further questions.

(Continued on next page.)

better ok

CROSS-EXAMINATION

BY MR. TAIKEFF:

MR. TAIKEFF: May I have one piece of paper marked for identification, your Honor?

THE COURT: Yes.

THE CLERK: This is L.

MR. TAIKEFF: Okay.

THE CLERK: Defendant's Exhibit L, document, marked for identification.

(So marked.)

MR. TAIKEFF: May I inquire, your Honor?

THE COURT: Yes.

Q Mr. DeSimone, have we ever spoken with each other?

A No.

Q Has anyone from my office ver contacted you?

A No.

Q What was the nature of the work which was done by Stafford Manufacturing, in connection with the documents which you've identified?

A They were to supply, manufacture, supply and install labor plates aboard the vessels.

Q How many vessels were there?

A There were two different vessels.

Q And do you recall what the total amount of the contract was?

A I do not know, no. Without looking at the records I couldn't say offhand.

Q Now, did you become aware of the fact that Stafford Manufacturing closed down at that time in 1972?

A I know they were going through some reorganization but I didn't know what position they were in. When we gave the contract, they still were in business.

Q Who did the installation with respect to the first of the ships and on what date was that completed?

A Well, the installation was done by George -- I mean, through our contact, George Moss, Stafford Manufacturing.

Q No. I understand whom you had the contract with. I'm talking about the persons who did the installation?

MR. LEVIN-EPSTEIN: I objection on the grounds of relevance.

THE COURT: I'll allow it. Do you know who physically did the installation?

THE WITNESS: Who actually did the installation? Personally, no.

MR. LEVIN-EPSTEIN: Objection withdrawn.

Q What were the dates of completion of the two ships?

MR. SHERMAN: No questions.

REDIRECT EXAMINATION

BY MR. LEVIN-EPSTEIN:

Q Mr. DeSimone, the contract b-tween Stafford and Surless, was entered into in June of 1972?

A I assumed. I said about June because I know that's the time we started -- the beginning of the summer.

Q So Stafford did work for Surless beginning or the middle of the summer?

A During the summer, yes.

Q That's before August 10th of 1972 then?

A Yes.

Q And payment of these two checks was for work done before August 10th of 1972 then?

A I assume it was. Part of it.

Q And payment of these checks then were done for work done by the Stafford Manufacturing Company, correct?

A Yes.

Q Did Mr. Moss or anybody at Stafford ever contact you and tell you or anybody, to your knowledge, where to send the checks?

A No.

Q Based upon your recollection as having dealt directly with Mr. Moss, did he ever tell you, Pat, or Mr.

MR. TAIKEFF: May I have makred, your Honor, this group of papers consisting of 13 separate sheets of paper?

THE CLERK: Defendant's Exhibit M, group of 13 sheets, marked for identification.

(So marked.)

Q I show you what has just been marked for indentification and ask you to look only at the top sheet. I ask you whether or not you recognize that, yes or no?

A Yes.

Q Without revealing it's contents, tell us whether it is a document which was prepared by your firm, the firm that you worked for in the summer of'72?

A Yes.

Q Can you now tell us on what date you entered into the arrangement with Stafford for them to do work on those two LST's?

A 5/24.

Q Of what year?

A 1972.

Q Now I show you the last page in that same exhibit and ask you, without revealing it's contents, whether you know what that is or recognize it in any way?

A Yes.

Q Can you tell us when the work on 1162 was completed?

A October 3rd.

Q Up to that date, how much money had been paid to Stafford, up to August 3, 1972?

THE COURT: August 3rd or October 3rd?

MR. TAIKEFF: August I thought the answer was, your Honor.

MR. LEVIN-EPSTEIN: No. October 3rd.

THE COURT: October 3rd.

Q Was your answer October 3rd?

A Wait a minute. Let me look at it again. I'm sorry. August 3rd. I'm sorry.

Q All right. Up to that point, how much money had been paid to Stafford?

A I can't tell you exactly without looking at the invoice.

Q Well, Stafford hadn't finished all of it's work on both of those ships by August 10, 1972, right?

A Repeat the question, please.

Q By August 10, 1972, had Stafford finished all of it's work? On those two ships? Yes or no?

A According to the document --

Q No, according to your memory, first.

MR. TAIKEFF: Let me withdraw the question at this time to lay a further foundation for that question, your Honor.

Q When you entered into the original contract with Stafford Manufacturing, what items did it cover on the part of Stafford Manufacturing?

A The manufacturing of label plates, the furnishing of label plates, and I think it also included the manufacturing of the preparation of the drawings, and installing the label plates according to the required ship specifications.

Q What portion of the total contract price was allocated to installation?

MR. LEVIN-EPSTEIN: If he knows.

A I couldn't tell you. It was a lump sum contract.

Q Is there any doubt in your mind that whoever installed the plates were entitled to be paid for installing them?

MR. LEVIN-EPSTEIN: Objection. Same question phrased differently.

THE COURT: He said it was a lump sum payment. He does not know, do you?

THE WITNESS: It was a lump sum contract.

MR. LEVIN-EPSTEIN: Objection, calls for the same conclusion as the other question.

on the basis of these invoices.

Q In other words -- I am sorry?

A On the basis of the other sheaf that you showed me before.

Q Government's exhibit 37 for identification is the check that paid for the bills in Government's exhibit 36 in evidence?

A Yes.

MR. LEVIN-EPSTEIN: Offered into evidence.

MR. TAIKEFF: No objection.

MR. SHERMAN: No objection.

THE COURT: Received.

THE CLERK: Government's exhibit 37 marked in evidence.

Q Government's exhibit 37, Mr. Johnson, is it not a check of the Sperry Gyroscope Division, dated August 26, 1972?

A Yes.

Q Paid out to Stafford Manufacturing in the amount of $236.75?

A Yes.

MR. LEVIN-EPSTEIN: Ladies and gentlemen, on the reverse side of this check is the endorsement, handwritten: "Stafford, George Moss, cashed H and S Check Cashing Service."

Q I show you what has been marked as Government's exhibit 38 for identification, and I ask you if you recognize these documents?

A It's payment of one additional invoice, yes.

Q Is that a separate transaction from the other two that you have alreadydescribed?

A Yes, it is another check that was drawn and paid.

Q And this was a transaction with Stafford?

A Yes.

Q What's the date from Stafford on that one, Mr. Johnson?

A August 2, 1972.

Q It is the only one there; isn't it?

A Yes.

MR. LEVIN-EPSTEIN: Offered into evidence.

MR. TAIKEFF: No objection.

MR. SHERMAN: No objection.

THE COURT: Received.

THE CLERK: Government's exhibit 38 marked in evidence.

Q Was that paid, sir?

A A check was drawn, yes.

Q I show you Government's exhibit 39 for identification, and I ask you if you recognize this check?

A Can I again see those?

Q Surely.

(Documents handed to witness.)

A Yes, that is the check that was drawn on this invoice.

MR. LEVIN-EPSTEIN: Offered into evidence.

MR. TAIKEFF: No objection.

MR. SHERMAN: No objection.

THE COURT: received.

THE CLERK: Government's exhibit 39 marked in evidence.

Q Also a check written on the Sperry Company; is that correct?

A Yes.

Q Dated September 1, 1972?

A Yes.

Q In the amount of $200.29?

A That's correct.

MR. LEVIN-EPSTEIN: Endorsed on the back, "Stafford Company, George S. Moss, cashed H and S Check Cashing Company."

Q Did there ever come a time, to your knowledge, sir, when you had any communication in the business of Sperry, after August 10th of 1972, that all future checks due and oweing time was running short.

Q Before we get to that, just directing your attention, please, to the lotting catalogue, would you refer to the list please while I ask you the next few questions?

A Surely.

Q Take your time and go over it as carefully as you wish. Would you tell us whether or not on that list there appears anywhere any mention of 1967 GMC truck?

A I can tell you without looking at it, that I appraised no, and saw no, what you would call rolling stock or trucks of any kind.

Q What about automobiles or cars?

A There was one car inside the doorway where I went in, but that belonged to Mr. Fine's man as far as I knew.

Q That belonged to the man sent by the auctioneer?

A Yes.

Q Not property of Stafford?

A No.

Q And it didn't have a tag on it?

A No.

Q Where in your report -- does there appear any mention of a forklift truck or anything of the like? You may look through it if you like.

(Pause.)

Q A Clark forklift, if that will assist you.

Do you see any reference to a Clark forklift truck?

A There is no reference to a forklift and I have no recollection of having seen either a Clark or any other kind of forklift.

Q referring to your list once again, sir, did there come a time when you appraised a number of bench master bench presses and saw them at that location? I specifically direct your attention, sir, to lot number 22 to begin with.

A 22 is a bench master power press, 23 is a bench master power press, 24 is a bench master power press.

Q I also direct your attention to lot number 252, further along in your appraisal.

What is that?

A Bench master power press.

Q Based upon your reference to this catalogue, your appraisal, did you look and see if there were any other bench master bench presses other than the four that you have already described?

MR. TAIKEFF: While the witness is looking, may I indicate to the Court, I would like to come to the

MR. TAIKEFF: May I have makred, your Honor, this group of papers consisting of 13 separate sheets of paper?

THE CLERK: Defendant's Exhibit M, group of 13 sheets, marked for identification.

(So marked.)

Q I show you what has just been marked for indentification and ask you to look only at the top sheet. I ask you whether or not you recognize that, yes or no?

A Yes.

Q Without revealing it's contents, tell us whether it is a document which was prepared by your firm, the firm that you worked for in the summer of'72?

A Yes.

Q Can you now tell us on what date you entered into the arrangement with Stafford for them to do work on those two LST's?

A 5/24.

Q Of what year?

A 1972.

Q Now I show you the last page in that same exhibit and ask you, without revealing it's contents, whether you know what that is or recognize it in any way?

A Yes.

as a chattel.

Q I see.

THE COURT: For security for a loan?

THE WITNESS: As security, you're right, your Honor.

Q Now I direct your attention, sir, to page 6 of that list, Government's Exhibit 44. Would you turn to page 6.

A I have it, yes, sir.

Q I direct your attention to the notation where it says "7 Benchmaster Power Presses."

Do you see that notation?

A Yes, sir.

Q What is that notation mean?

A Where I have a "3" next to it, or where I have a "7" there?

Q Let me see.

A Please check that, so I can answer it properly. I have a "7" and a number "3," there

Q Well, first of all let's start with the phrase "Benchmaster Power Presses." What does that mean?

A It's a little power press that punches and sits on a little table.

Q The listing on this list means that there were--

A Seven at the premises when my men appraised the location.

Q Beneath the word "Benchmaster Power Presses," there appears the--

A The serial numbers.

Q Are there serial numbers listed?

A "S.N." designates serial number.

Q And there are seven, are there not?

A There are.

Q Would it be fair to say then, that for each of the seven Benchmaster power presses that your men saw on the premises that day, at the time of this appraisal, a serial number was recorded for each one?

A That's true.

MR. TAIKEFF: Objection. It's argumentative and it's repetitive.

THE COURT: I'll allow it.

Q Very slowly, so the court and the jury and even the reporter can get them, would you read each of the seven serial numbers into the record.

A 3998, 39903, 08899, 39901, 36315, 39902, 39900.

Q That's the seven serial numbers for the

Benchmaster power presses that were found there; is that correct?

A That's correct.

Q You started to describe what a Benchmaster power press looks like, and I guess I kind of cut you off. Would you continue with your description?

A It's a small piece of machinery that sits up on a table--

Q You're holding your hands about a foot to fifteen inches apart.

A This is the table and it comes up this high and it has a lever that punches a hole.

Q That's all there is to it?

A Yes.

MR. TAIKEFF: May I see the defense exhibit, please?

(Shown to counsel)

MR. LEVIN-Epstein; Thank you.

Q Let me direct your attention to what has been marked in evidence as Defense Exhibit R. Do you see the machine depicted in that exhibit?

A These are not Benchmaster power presses.

Q Any doubt in your mind?

A No doubt. It's a pedestal.

Q How about Defendants' Exhibit Q? What about what is depicted in there?

A It's a pedestal; its not a Benchmaster.

MR. LEVIN-EPSTEIN: Thank you.

Q Addressing your attention to page 1-A of Government Exhibit 44, before you--

A 1-A?

Q Yes.

A I don't have 1-A.

Q I think it's towards the end.

A Yes, I have. it.

Q O.K.

A Right.

Q Do you see a notation on that page, and I'm quoting,"Above were not on the premises"?

A "Above were not on the premises," yes.

Q What does that notation mean to you?

A That this equipment was not on the premises when my men went to appraise it.

Q In other words, there was another premises where the appraisal was continued apparently?

A Could have been so, or they got a description of this equipment from the party involved that asked for the appraisal of his premises.

A Sure, we can tell you that. It's right in the record. Do you have a copy of the report of auction sale?

Q Yes, I do.

A It would show the first day my men started lotting there. It's right in writing.

MR. TAIKEFF: I will stipulate to the date if the Government wants.

MR. LEVIN-EPSTEIN: August 22.

MR. TAIKEFF: 21.

MR. LEVIN-EPSTEIN: Then we can't stipulate.

THE WITNESS: It's all in my report of sale.

MR. LEVIN-EPSTEIN: Very well.

(Pause)

MR.TAIKEFF: If I may assist, your Honor, it's on page 2.

THE COURT: He has to find the document first.

(Pause)

MR. LEVIN-EPSTEIN: I don't have it right here. I can wait until another time.

MR. TAIKEFF: I have a copy.

THE WITNESS: I have a copy, too.

Q Do you have a copy, Mr. Fein?

Q Did you sell a 1967 GMC truck on that day?

A I did not.

Q Did you sell any rolling stock whatsoever?

A I did not.

Q Directing your attention, sir, to lot number 22 --

A Yes, sir.

Q What is lot number 22?

A One Benchmaster power press.

Q Was it sold?

A It sure was.

Q How much did you get for it?

A $475.

Q Who was it sold to?

A A firm by the name of American.

Q What does American mean to you?

A The name of the buyer that purchased it from the floor.

Q You have no further description other than American?

A Not on this sheet. No.

Q Would it be appearing on another sheet perhaps?

A Yes.

Q Where would that be? Which sheet would it appear on?

A On the direction sheet.

Q Where is that?

A I don't have that here with me.

Q Okay.

A It would have his name and address. That's about all.

Q What about lot 23?

A 23 was another Benchmaster power press.

Q What did you get for that one?

A $475.

Q Who was the buyer?

A Same buyer, American.

Q How about lot number 24?

A Benchmaster power press.

Q What did you get for that?

A Four seventy-five.

Q Who bought it?

A American.

Q What about lot number 252?

A Benchmaster power press.

Q How much?

A $300.

Q Who bought it?

A American.

Q Would you take a moment, please, to look through every one of those lots and tell me other than lots 22, 23, 24 and 252 whether you see any other Benchmaster power presses?

A No. They are not on my schedule.

Q Have you had occasion before just now to look in my office?

A I checked it with the appraisal I made in '69 against what my men found on the premises when they went in to tag up.

Q Not there?

A We made a notation with the shortage of missing equipment was.

Q Is that the significance of the number three next to the '69 reference to Benchmaster power press?

A That's true.

Q Now --

THE COURT: Wait a minute. I don't know if I understand.

Do you mean to say you have something checked off against your '69 appraisal?

THE WITNESS: When I appraised the premises for the security agreement for United Credit Corporation, it was done 1969.

THE COURT: You had seven Bench --

THE WITNESS: I had seven Benchmasters.

THE COURT: When you sold --

THE WITNESS: When I walked in to tag it up in '72, I gave my men a copy of the appraisal that I had from '69.

THE COURT: I see.

THE WITNESS: To see if everything that I had appraised in 1969 was on the premises in '72.

They came up three short. I have a notation on that.

Q At my request, have you had occasion to look through the list of everything sold to see if there was a fork-lift truck sold?

A It was not sold. I did not sell a fork-lift.

MR. LEVIN-EPSTEIN: Thank you, Mr. Fine.

MR. TAIKEFF: Is your Honor planning to call an afternoon recess or is your Honor --

THE COURT: I was going to go right on through since we got started late. Unless anyone is unconfortable.

He wants to go home.

THE WITNESS: Yes. And so do they.

THE COURT: I don't mean to make light of this man's testimony, but when he was talking about sold

American, I was thinking of those ads years ago --

THE WITNESS: Yes, the tobacco auction.

MR. LEVIN-EPSTEIN: One other question, your Honor, if I might interrupt Mr. Taikeff for just one moment.

I am sorry. It won't be necessary.

CROSS-EXAMINATION

BY MR. TAIKEFF:

Q Mr. Fine, I am placing before you defense exhibits Q and R, which I think were shown to you earlier?

A Yes.

Q And I think amongst other things you said that neither one of those was a Benchmaster, am I correct about that, if you recall?

A Yes, I did say that.

Q Okay. With respect to R, is the object that is depicted or the object --

A We are referring to this now?

Q That's correct.

Is that a picture of a machine?

A Yes.

Q That is generally known by the name power press?

A It is a power press.

Q But not a bench --

Walter Kaye.

Q During that period of time, you have become familiar with their business records?

A Yes, I have.

Q Mr. Parr, I show youGovernment Exhibit 60 for identification and I ask you, do you recognize both the folder and the contents of that folder?

(Shown to witness.)

A Yes, I do.

Q Are documents such as those contained in Government's Exhibit -- kept and maintained in the ordinary course of business of the Walter Kaye Associates organization?

A Yes.

Q Was this exhibit kept, prepared and maintained in such a manner?

A Yes, it was.

Q What is that generally?

A It is a policy file.

MR. LEVIN-EPSTEIN: Thank you.

Offered into evidence, your Honor.

(Shown to counsel.)

MR. TAIKEFF: No objection, your Honor.

MR. LEVIN-EPSTEIN: While Mr. Sherman is looking at it, maybe I can proceed.

Q Q I show you Government's Exhibit 61 for identification. I ask you if you recognize that sheaf of documents?

A Yes, I do.

Q Are those documents also kept, prepared and maintained by the ordinary course of business of Walter Kaye Associates?

A Yes.

Q And are those normally maintained?

A Yes.

Q What is this?

A A copy of an automobile policy

Q Is Government's Exhibit 61 itself related in any way to Government's Exhibit 60 for identification?

A It is normally part of the same file.

Q Okay. Could you tell us just for the record, why it's not actually enclosed inthe file at this time -- at my request, did you provide me with certain things, that first and this at a later time?

A Yes, that is correct.

MR. LEVIN-EPSTEIN: Offered into evidence as well, your Honor.

(Shown to counsel.)

MR. TAIKEFF: There is no objection.

MR. SHERMAN: No objection.

THE COURT: 60 and 61 received.

THE CLERK: Government's Exhibits 60 and 61 marked in evidence.

(So marked.)

BY MR. LEVIN-EPSTEIN:

Q Mr. Parr, are you familiar with the name American Identification Products Inc.?

A Yes.

Q Are they a customer of Walter Kaye Associates?

A Yes.

Q Does Walter KayeAssociates act as a broker for certain insurance of that company?

A Yes.

Q Is this actually the file of American Identification?

A Yes.

Q Would you tell us, sir, by referring to that file, and the business records, whether or not American Identification Products, Inc. at the current time carries or pays for any insurance on a vehicle which I will describe now as a 1967 GMC truck, serial number C6946F.

(Document shown to witness.)

A A 1967, Number D6946F.

Q The letter D as compared to the letter C?

A Yes.

MR. LEVIN-EPSTEIN: May this document be marked for identification, I believe it's Government's Exhibit 69.

THE CLERK: Government's Exhibit 79, document, marked for identification.

(Shown to counsel.)

MR. LEVIN-EPSTEIN: Offered into evidence. your Honor.

MR. TAIKEFF: No objection.

THE CLERK: Government's Exhibit 79 marked in evidence.

(So marked.)

Q I show you what has been marked into evidence as Government's Exhibit 79 and I ask you, was this part of the same file that you referred to as Government's Exhibit 60 and 61?

A Yes.

Q By making reference to the Moss Exhibit, can you tell us what the true and accurate serial number is on that truck?

A The truck identification number was asked to be C6946F.

Q And this was a request of the customer?

A I could not tell that from the file.

Q Do you know who authorized from the incorrect D to the correct C notation?

A This is a request which was executed by one of our account executives.

Q During the regular course of business of Walter Kaye Associates?

A Yes.

Q Is such a truck insured by AIP?

A Bed your pardon?

Q Is that truck insured by American Identification Products?

A Yes, it is.

Q Can you tell us when that truckwas first insured by AIP, when did they first begin carrying coverage on that truck?

A It was added to our policy effective January 2, 1973.

Q January 2nd of 1973?

A Yes.

Q Has it been consistently and continuously insured by AIP from January 2nd of 1973 up to and including the present day and in fact, even now?

A Yes.

Q I direct your attention to your file, sir, and I ask you, can you tell whether or not during the course of your association is reflected in this file, whether American Identification Products, there has ever come a time when that company insured through you a 1969 Chevrolet station wagon?

A A 1969 Chevrolet was added January 11th of 1973.

Q Does your file reflect a motor vehicle identification number for that automobile?

A Yes.

Q Would you read it slowly for the record?

A 1344698313953.

Q Did there come a time after January the 11th of 1973, when the insurance policy on that car was terminated by AIP?

A Yes, the vehicle was eliminated on March 22, 1976.

Q Beginning of this year?

A Correct.

Q But between January of '73 and March of '76, was it continuously owned and insured by American Identification Products, at least as far as you can tell from your records?

A From our records, I can tell it was continuously insured.

MR. TAIKEFF: No objection, your Honor.

THE CLERK: Government Exhibit 67 received in evidence.

(so marked)

MR. LEVIN-EPSTEIN: With the Court's permission Government Exhibit 67 in evidence, ladies and gentlemen is a photostatic copy of an original record of the Department of Motor Vehicles which copy is certified as of September 15, 1975 by the Department of Motor Vehicles and is as follows.

As you can see, and I'll hold it for you; follow along with me, the copy where I'm indicating now, in the middle of the page is the front part of the registration ticket, part 3 of the Motor Vehicle registration in the name of American Identification Products, Inc at 143-145 Faith Street, Brooklyn, New York, registered at plate number 9413GZ.

Q By the way, is that the number on the truck?

A Yes, it is.

MR. LEVIN-EPSTEIN: Is a 1967 GMC van-type truck, serial or Vehicle Identification Number C6946F. This registration expires on January 31 of 1976.

Q During the course of your investigation and when you asked for the Department of Motor Vehicles to provide Government -- what is now Government Exhibit 67 in evidence, did you have occasion to request any further or additional information from the Department of Motor Vehicles about vehicles owned or -- well, owned by AIP?

A At the time, I made the request on the truck I asked the Department of Motor Vehicles in Albany to furnish another registration of vehicles owned by American Identification Products.

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Q Did they furnish you with an additional document?

A Yes, they did.

Q I show you Government Exhibit 68 for identification. (Handing.) I ask you if that's the certified copy of the additional document?

A Yes, it is.

MR. LEVIN-EPSTEIN: Offered in evidence. (Handing to defense counsel.)

MR. TAIKEFF: No objection.

MR. SHERMAN: No objection.

THE CLERK: Government Exhibit 68 received in evidence.

(So marked.)

MR. LEVIN-EPSTEIN: With the court's permission, Government Exhibit 68 -- by the way, Government Exhibit 67, Ladies and Gentlemen, is signed by Floyd, President which according to our stipulation, of course, is George Moss's signature.

Government Exhibit 68 is a registration for a 1969 yellow suburban Chevrolet stationwagon, license plate 158WTP, vehicle identification number 134469B-313953, registered to American Identification Products, expiring on January 31 of 1975, signed Floyd Moss, President, his signature acknowledged to be that of the defendant, George Moss.

Q Directing your attention, sir, Mr. Kay, to September 18th of 1975, were you working on that day?

A Yes, I was.

Q During the course of your official duties and as part of this investigation, did you have occasion to meet with Agent Kelly of the FBI?

THE COURT: And other agents?

A Yes, I did.

Q Where did you go with Agent Ke-ly and the other agents on that day?

A We went to 145 58th Street, Brooklyn, New York.

Q At that time were you possessed, or were you in possession of any official order of the District Court of the Eastern District of New York?

A On the morning of the September 18th, 1975, I filed a search warrant before Magistrat Shiffman, I believe it was, in the Eastern District of New York, authorizing a search of the premises at 145 58th Street, Brooklyn, New York.

Q Under this search warrant did you go to that location and notify people there that you had such an order of the court to search the premises?

A Yes, I entered the premises and I gave a copy

THE COURT: Going except for what I indicated.

MR. TAIKEFF: I'll do that right now, your Honor.

THE COURT: No, don't do it in the presence of the jury. Just mark it in evidence and use it only for the limited purpose I indicated.

THE CLERK: Defendant's Exhibit EE received in evidence.

(So marked.)

MR. TAIKEFF: George Moss to the stand, your Honor.

GEORGE MOSS, called as a witness, having been first duly sworn by the Clerk of the Court, testified as follows:

THE CLERK: State your name for the record, please.

THE WITNESS: George S. Moss.

DIRECT EXAMINATION

BY MR. TAIKEFF:

Q Mr. Moss, how old are you?

A I'm 59 years old.

Q Would you briefly summarize your educational background?

A I graduated from Erasmus Hall High School in Brooklyn, went on to Amherst College in Amherst, Massachusetts graduated in 1936; went on to Yale Law School, graduated with

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a degree of law, 1939.

Q Have you ever, sir, since 1939 practiced law?

A Not a day.

Q What has been your work experience, again I want you to be brief and to the point since you got out of Yale Law School?

A I started in 1939 in my father's business. He was a manufacturer of stencils, steel stamps, old type marking devices, stamp plates and I continued in that business with some modification as years went on. WE changed our method of manufacturing, developed new products and processes but still in the identification line, but as an extension of the old original manufacturing line.

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DIRECT EXAMINATION

BY MR. TAIKEFF (Cont'd):

Q Do you know when your father's business began?

A My father's great -- 1868, manufacturing rubber stamps and stencils. My father started about 1910 from my great uncle. He continued until he passed away.

Q Since 1939, were you in any other business?

A No, just in that line.

Q Where was the business located in 1939?

A It started at 53rd Street and First Avenue in Brooklyn and shortly after we moved a few years later to 145 58th Street, Brooklyn, a few blocks away.

Q When was the Stafford Manufacturing Company, Incorporated first organized?

A Well, it goes back to the and Stafford Company, an old company in which a partner of my father, a die and steel engraver who worked with my dad about 50 or 60 years ago. That name meant a lot in the business. The business world, in the line of marking. I continued with it and we formed the corporation in 19 -- bearing that name, but it was much older, of course.

Q But the corporation as an entity began in what year?

A In 1951.

Q Did you own that corporation at that time?

A I did not own it, no.

Q Who owned the company?

A My wife, Lenore Moss.

Q Throughout the years, from 1951 to 1972, did Stafford Manufacturing Company, Incorporated, continue to operate in that business which you've already described?

A Yes, we did.

Q Did you at any time during that period of 21 years become the owner of some or all of that company?

A No, I did not, but I ran it. As president.

Q Over the years, but in particular with reference to the '60s and '70s, give us some rough idea as to the size of the business, how many people were employed there, etc; just in rough detail?

A I would say anywheres from 50 to 75 people, depending upon the amount of work we had and dependent upon the type of work we did. We engaged a special type of ship labeling which is the damage control labeling for naval vessels and we developed a facility for that and expertise, from time to time I employed more people, as we got more contracts from the shipyards throughout the country, I employed additional people on the outside of the field to do that type of work.

3 Q Let me interrupt you and go off on a tangent at this point. You're familiar with the fact that the indictment charges you amongst other things with certain illegal conduct, criminal conduct, with respect to one or more checks from Surlass?

A Yes.

Q Keeping that in mind, but not going into the specific details of those counts at this time, I want you to elaborate for the jury what you mean by this labeling that you do for naval vessels?

A (No response).

Q But limit yourself to a sufficient scope. Don't tell us a long story, keeping in mind the Surlass aspect of the case?

A All naval vessels in order to operate properly require a great deal of identification for the valves and the piping and the rooms and the compartments and particularly for the machinery; in what they call damage control, so in case of damage at sea, fire, explosion, the ship, the certain area of ths ship knows whent to turn off certain valves to prevent certain damage. It's called damage control. In connection with this, various name plates with readings on them in metal, mostly aluminum and stainless steel have to be put on various sections of the vessel, on piping, machinery, 4 so that the sailors and the crew know just what to do in case of emergency.

I found that although we had always made label plates for years, if we could persuade the navy to permit us to perform the engineering and the installation of these label plates that a real service would be performed.

Q Let me stop you again for some further elaboration.

You used the word engineering and you used the word installation. I think it's clear what installation means. Specifically, when you say installation, what are you talking about the installation of?

A The label plastes as they're called or name plates, actually putting them up by screwing them in or by using a special type of backing material to the various parts of the vessel; as any sign would be put up.

Q That means the physical attachment of the plate in the right place?

A That's correct.

Q What is the word engineering describing as far as your function is concerned or Stafford's function?

A Well, in certain instances someone had to develop the reading matter. It's quite complicated and one had to identify the number of the valve, the number of the

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room or some other information and, therefore, working from the plans of the ship, we could develop reading inscriptions for the name plat so it would be correct.

I found the shipyards appreciated this service because it was a nuisance for them to go to outside engineers and develop engineering services and then buy the plates and have someone else install them or they had to install them themselves.

I offered to the shipyards a package and I said ineffect, "I will engineer or prepare the listing of the label plates, make them for you and I'll install them. All you have to do is give me the order and when I get the ship to sign off or approve it, at that time you know the job is complete." That is exactly what I did with most of the shipyards in the eastern area.

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Q You did what with respect to the plates themselves initially, what's the first step?

A I engineered the reading.

Q Then what did you do?

A Actually manufactured from the metal. Manufactured metal plates.

Q Finally?

A Finally we installed the plates, actually put them aboard various areas on the ship so the sailors and crew would know just what to do. In other words, the plates by themselves, are of no use unless they're correct which is most vital, unless they're installed so they can be seen and used. Otherwise, they're of no use whatsoever.

Q What connection, if any, is there between the insulation and the engineering phase of the job?

A The engineering is accomplished first. Then the plates are manufactured and then when they're manufactured and completed many times delivered to the shipyards at that point the installation begins.

Q Given your years of experience with this work, would you tell us whether in your opinion it is possible for a person who has no knowledge of the engineering aspects of such a job to make a proper and correct installation, yes or no.

A No.

Q I think our point of departure was a rundown by you of the nature of the business in which you engaged.

For whom did you do most of your work? When I say "your work," I'm talking about Stafford, unless I specifically identify you individually.

A Well, for the ships we did a great deal of work for shipyards throughout the country, normally the Government shipyards themselves, but also Newport News, Bethlehem-Baltimore, Boston, Avendale Shipyards in New Orleans and local shipyards such as Surlass, Coastal Ship Repair Todd Shipyards and I would say about 20 or 25 organizations throughout the Eastern and Southern Area of the United States.

Q What was your specific position, if you had a title with Stafford.

A I was President and --

Q What function did you perform as President?

A I handled all the sales, tried to run the financing at the same time, sales and financing was my particular province.

Q Did you run the factory?

A No.

Q Who ran the factory?

A My brother, Nat Moss.

Q How long was he with the business as of August of 1972?

A I think about 25 years.

Q Did he have a corporate position?

A Yes, he did. He was Vice-President--Secretary.

Q Can you briefly describe as of the beginning of August, 1970, the general financial condition of Stafford?

A It was poor. It was poor because we were owed a great deal of money by Bethlehem Ship Building. We received a contract in 1968 on two ships being built by Bethlehem in their Baltimore facilities for furnishing all of the label plates, engineering them, manufacturing them and installing them. The job was to be --

Q Will you give the jury some idea of the size of that job, briefly? I don't want you to go into great detail.

A The job ran about $150,000 per ship.

Q At the time you undertook that original contract for a total of $300,000, what was the annual rate of gross sales of Stafford?

A We were doing about a million dollars a year, I would say.

Q So those two ships --

A Well, they were supposed to be done in a period of two years. We had other work as well. Of course, we did other work, other name plates besides shipwork, but we did, I say, mostly shipwork.

The problem was that the ships were not completed by the shipyards within the two year period. There were all kinds of changes and alterations. We were hung in there. We couldn't get away because we could not furnish, install, engineer the label plates until we got the changes from the shipyard.

They kept on, because of their argument or discussions with the Navy, they kept on changing the specifications, areas were changed and instead of being two years, they got out in about four years with the result being that we were just locked in with them and our costs were going up and although, from time to time we did receive additional monies, because they got change orders, most of it was not in written change order form.

Q Were these private vessels that Bethlehem --

A They were for the Navy.

Q Did you have a written contract?

A Yes, I did, but if you read the papers you'll see about all the shipyards have problems --

MR. LEVIN-EPSTEIN: Objection.

THE WITNESS: I'm sorry.

THE COURT: Sustained.

Q Just listen to my question and only tell us what I ask you for. Then when Mr. Levin-Epstein asks you can do likewise for him.

A Sorry, sir.

Q You were under contract with Bethlehem?

A Yes.

Q As far as you know they were under contract with the Navy?

A Yes, they were.

Q You say that as a result of this particular transaction your company got into serious financial difficulty?

A We were owed a great deal of money. We pressed Bethlehem for the money. They kept on saying, "We're pressing the Navy." They kept throwing me a little bit of money all the time, but not enough to cover ourselves. I felt -- we were making one step foward and two steps back.

I kept on arguing with Bethlehem. They were my customers. They loathed me into a sense of security. I kept after them. Finally, I found that we were behind about--

MR. TAIKEFF: May I have a moment to confer, your Honor?

Could I ask your Honor a question at sidebar?

THE COURT: Yes.

(Sidebar.)

MR. TAIKEFF: Your Honor, two witnesses who came from their place of employment, they both work at the same place. In a way I'm depriving their employer of their presence; came here earlier today at ten minutes to two. Regrettably, when the time came for me to begin, they were not in the witness room. Apparently they stepped out to the mens room. I know that your Honor is very strict about keeping the case going. So, not knowing where they were, I think, perhaps they had left. I put Mr. Moss on the stand. Testimony would be very brief and I feel an obligation to both them and their employer. Their about five minutes apiece.

THE COURT: Character witnesses?

MR. TAIKEFF: To a certain extent, yes, they are, each of them has some information concerning the Surlass matter and a portion of the contract price.

THE COURT: I have no objection to taking them out of order.

MR. TAIKEFF: I would like to accomodate them.

THE COURT: Mr. Levin-Epstein doesn't either at this point, I'm sure, but I have a sentence panel at 4:30. We only have 20 minutes.

MR. TAIKEFF: I'll more than easily finish.

MR. LEVIN-EPSTEIN: Are you asking me how long I'll be with Mr. Moss? If they' character witnesses --

THE COURT: You can take them, but I want a guarantee --

MR. LEVIN-EPSTEIN: They might have to come back tomorrow.

MR. ENGELSTEIN: They would.

MR. LEVIN-EPSTEIN: Absolutely.

MR. TAIKEFF: I would like to accomodate them.

THE COURT: Why don't we bring them in?

MR. ENGELSTEIN: Tell them to come in tomorrow morning and interrupt Mr. Moss' testimony?

THE COURT: That would be a lot better.

(Open Court.)

Q I want to remind you at the point of departure I asked you to give us a status report, briefly as to the financial condition. You said the company had gotten into bad financial shape over this involvement in this latter Bethlehem Steel contract. I don't want anymore details about that at this time.

Can you give us some idea of what the finances were, what your particular immediate problems were as they existed in August of '70, but briefly, now.

A Bethlehem was not paying us the additional monies. We were behind about some $200,000 with them. I could not meet the obligations.

Q Such as?

A Paying taxes, creditors and paying the obligations of the company to make it a viable organization.

Q In August of 1970, what was your average weekly payrool?

A About $9,000.

Q Were there any difficulties in connection with meeting payrolls?

A They were terrible, terrible difficulties. We just couldn't meet the payroll. I couldn't get the money fast enough from Bethlehem. These big organizations don't work that way. Although you do the work to get the money, it's another problem. Particularly if you don't have confirmation orders on the extra amount of work to be done and, really, we were a small -- as contractors go -- they had millions of dollars invested in the ships and they just were not paying us as we needed the funds and then they held up altogether on the major claim that we had, the major amount of money owed.

I had to seek funds from other companies, other organizations. I went out and borrowed money. I had to go to factors. I was heavily factored paying over 30% interest on orders, on -- I found myself in the position of getting new contracts from other shipyards, trying to get orders from the Government, trying to do the Bethlehem job. I reached a stage where we couldn't go on financially and I was advised that if I wanted to keep the business going, that I should seek the relief that organizations do have by going into Chapter XI.

Q Mr. Moss, if you're obligations exceeded your capacity to pay, you could have filed for bankruptcy, could you not have?

A I --

Q Yes or no.

A I suppose I could have, but I had optimism that I could pull it through. I had a lot of work. I felt I would succeed with Bethlehem, the Navy. I could knew what I was doing was right and proper. The idea of giving up the business was just intolerable to me. I just couldn't -- I didn't want to go out of business. I had to place it together.

Q What route did you follow beginning in August of 1970? Remember the jury has heard a lot of testimony touching on this area, so be brief, just touch the highlights.

A On advice of counsel, after I told my problems, I saw counsel on this matter. I was told I could go into the Bankruptcy Law, go into Chapter XI which permitted me to operate the business and meantime have relief and keep the creditors at bay until such time as I could see my way clear to run the business successfully. They told me I could make an arrangement with the creditors. These are people we had dealt with over the years. I felt if I made an arrangement with them, somehow they would go along and I would, if I continued as an orgainzation of business, I would continue to give them business. Therefore, I sought this relief from the Bankruptcy Court or under Chapter XI which enabled me to remain in business. I had every expectation I would pull it through, that we would get the money from Bethlehem, that things would improve. I worked very hard to make it come to pass.

We set out a plan of arrangement. I guaranteed personally, up to 20% on the arrangement plan. A few months later I went out and I went to my wife and son and had them -- I borrowed on their stock without being asked. I offered the Bankruptcy Court $8250 that we could scrape together as a good faith deposit.

MR. LEVIN-EPSTEIN: I object to the rambling.

THE COURT: Strike it out after the first sentence.

Q Under Chapter XI what was your understanding as to whether or not one of your creditors could or could not do to put you in involuntary bankruptcy?

MR. LEVIN-EPSTEIN: I'm going to object. It calls for a conclusion, irrelevant.

MR. TAIKEFF: I ask for his understanding.

MR. LEVIN-EPSTEIN: Exactly what I objected to.

THE COURT: Read it all back.

(Last question read back.)

THE COURT: We're talking about his understanding based on his law school education or his understanding based on the advice of counsel? I think it's ambiguous.

MR. TAIKEFF: His personal understanding based on his own understanding of the circumstances as they existed during that period.

THE COURT: Based on his education and experience?

MR. TAIKEFF: Yes.

THE COURT: I'll allow it.

(At this time the Court Reporter was relieved by Daniel D. Simon, Official Court Reporter.)

(Continued next page.)

A Well, no single creditor could make a move because -- to prejudice any other creditor. The company was under the rule or the domain of the bankruptcy court and all creditors were held up pending the plan of arrangement which we were attempting to put through.

Q Does that to you that the creditors were not going to get paid?

A Oh, no. The creditors were going to get paid under a plan of arrangement. Certain preferred creditors of course would get full payment. And commercial creditors get a certain partial payment under an arrangement.

That is when I put up money to show good faith --

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Strike it out.

THE WITNESS: I am sorry. I apologize, your Honor.

THE COURT: Did you ever take the bar?

THE WITNESS: Yes I did sir.

THE COURT: Are you admitted to practice?

THE WITNESS: Yes I am.

THE COURT: You are called to a higher degree of discretion.

THE WITNESS: Judge, I apologize. I will be very careful.

Q When for the first time did you -- speaking about your own personal subjective understanding of -- when for the first time did you learn that you were going to be or Stafford was going to be adjudicated a bankrupt?

A When it appeared before Justice Price in the Bankruptcy Court on August 8th, 1972.

MR. LEVIN-EPSTEIN: Before he asks the next question in an effort to be very careful may we approach the side bar?

THE COURT: Yes.

(The following discussion took place at the bench between the Court and counsel.)

MR. LEVIN-EPSTEIN: Your Honor, if Mr.Taikeff asks the next question, which I anticipate will have to do with any proceedings before the Bankruptcy Court, I wish the Court to recognize that the Government will take the position that any privilege under the Fifth Amendment will be completely and inexorably waived.

THE COURT: He does that anyway now when he takes the stand.

MR. TAIKEFF: He does that when he takes the stand.

MR. LEVIN-EPSTEIN: All aspects of the Fifth

Amendmant are waived, correct?

MR. TAIKEFF: That is my understanding, if he takes the stand, he waives the Fifth.

MR.ENGELSTEIN: That is one of the reasons they sometimes do.

MR. LEVIN-EPSTEIN: I want to be absolutely clear because this is a bankruptcy case and there are some possible ramifications.

MR. TAIKEFF: That is information you have given and I appreciate the efforts you have made to make sure that something untoward did not happen, and I say that with all seriousness. I was not going to go into detail. I just wanted to get the date of his first knowledge and that is it.

MR. LEVIN-EPSTEIN: That may be your attempt, Mr. Taikeff, but I merely advised the Court --

THE COURT: Once he takes the stand anyway he has waived it.

MR. LEVIN-EPSTEIN: That includes the Fifth Amendment that accrues under Title Eleven.

THE COURT: Yes, surely.

MR. LEVIN-EPSTEIN: Okay.

(The following occurred in open court.)

Q I think your last question and answer was when did you get the first knowledge or notice that Stafford was going to adjudicated a bankrupt and you said August 8, 1972.

A That is right.

Q Where were you when you received that notice?

A In court.

Q And who told you or otherwise declared that fact?

A Justice Price, the referee in bankruptcy.

Q Now, I want you to turn your attention briefly to the two year period between August 10, 1970 and August 10, 1972, the so-called Chapter Eleven X-1. Period, up to the beginning of that period, namely up to August 10, 1970, Stafford had not done very well financially, is that correct?

A That is right.

Q At least as of August 10, 1970 it was well, is that right?

A That is right.

Q Whatsteps, if any, and I ask you once again to be brief and touch only the highlights, did you undertake during that two year period to effectuate a successful chapter XI program?

A The first thing I did was to put in aclaim with Bethlehem, which Bethlehem approved by passing our claims to the Government --

Q Now, stop with no more detail. Now the next item. I want a little checklist.

A Secondly, I attempted to borrow less from factors to whom I was paying 25-30 percent, and to borrow from the banks. And through my brother-in-law, Herbert Martin, I was able to hypothecate contracts with the Maryland National Bank and even get advances against contracts to try to keep the interest down, which we were. We were paying like 8, 9 and 10 percent --

MR. LEVIN-EPSTEIN: May I interrupt your Honor. May we once again have the time period for these efforts.

MR. TAIKEFF: Within the two year period.

MR. LEVIN-EPSTEIN: This is while the debtor was in possession.

MR. TAIKEFF: Yes, it was during that period.

MR. LEVIN-EPSTEIN: I am sorry for the interruption.

Q Did you understand that question to mean that, Mr. Moss?

A Yes.

Q And only the things which were done durin the period --

A I sought to manufacture products which would get us some quick money so that we could continue to work things out so we could be successful during that period.

I met men who were marketers of portable clothes dryers --

Q May we have the name of the company?

A I. R. I. Associates.

Q In a word, if you can reduce it to that, what happened with I. R. I.?

A We started to make dryers. We made a great many. And they told us they would keep us afloat and pay all our obligations, where we were working on it. We only had to do the manufacturing. They would supply the material, and pay the payroll. They didn't pay it. They left us holding the bag --

Q Mr. Moss, let's just touch the highlights.

A I am sorry. I am trying to be as brief as I can.

Q There was this company I. R. I. and they were going to work with Stafford, manufacture a product that was new to Stafford's line, all right. At that point of departure was any money put up to make that venture go?

A Yes.

Q How much?

A $10,000.00. I was able to get Herbert Garten to loan $10,000.00 to I. R. I. as part of a good faith deposit to the bankruptcy court.

Q You heard Mr. Garten testify about $10,000 which he provided?

A Yes, that is correct.

Q Is that the same $10,000?

A Yes.

Q Was there any money personally provided as a so-called good faith deposit?

A Yes there was.

MR. LEVIN-EPSTEIN: I'm going to object to the leading nature of the question.

THE COURT: Yes, strike out the question.

Q Was there any money provided in addition to the $10,000? Yes or no.

A Yes.

Q How much?

A $8,250.00.

Q Briefly, what was the source of that money?

A Stock in a public corporation owned by my wife Lynore Moss and my son.

Q To whom if anyone was that money given?

A It was put up as a good faith --

MR. LEVIN-EPSTEIN: Objection.

Q To whom?

A To the Bankruptcy Court. It was deposited in the Bankruptcy Court originally.

THE COURT: I think we will suspend here now. Ladies and Gentleman, I will ask you to come in at the usual time tomorrow at 10:00 o'clock. I am going to instruct the attorneys, however, to be here at 9:30 because no matter how much they disclaim having various applications, by the time they get through here tomorrow morning they will have a half a dozen more. And there is no point in keeping you waiting.

I'm going to have them under strict orders to be here by 9:30. We have one legal matter to discuss at that time anyway which we will discuss at 9:30 before you all arrive. And hopefully we will get started at 10:00. Do not discuss the case. We will see you tomorrow morning.

THE CLERK: All right.

(Thereupon at 4:25 o'clock p.m. an adjournment was taken to Wednesday, December 15, 1976 at 9:30 o'clock a.m.)

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MR. TAIKEFF: May Mr. Moss resume the stand, your Honor?

THE COURT: Yes.

(George Moss resumes the stand)

THE CLERK: The witness is reminded he's still under oath.

THE WITNESS: Yes, sir.

DIRECT EXAMINATION
BY MR. TAIKEFF (Cont'd):

Q Mr. Moss, do you recall that just before you left the stand yesterday, I was asking you about the date on which you first learned that Stafford Manufacturing Company, Incorporated, was going to be adjudicated a bankrupt?

A Yes.

Q Would you repeat so we have a starting point the date --

A That was --

Q -- you first learned that?

A August 8th, 1972.

Q Where did you learn that?

A In the Bankruptcy Court before Mr. Justice Price.

Q In this building?

A In this building.

Q As far as you know, based on your own knowledge, prior to that date, did Referee Price or any of the creditors

2 attempt or make a motion to have Stafford, which was then a debtor-in-possession under Chapter XI, adjudicated a bankrupt yes or no?

A No.

Q Briefly, characterize the financial circumstances of the corporation during the two year period to the best extent that you can?

A We were struggling very much in the corporation. I was attempting to get payment, checks, from Bethlehem. We worked to present a claim which Bethlehem promised to submit to the navy which they did. In the meantime, two hundred some odd thousand which Stafford had already expended was not forthcoming.

Q Expended on what?

A Expended on working on the labeling for the two vessels at Bethlehem.

Q Did that work go forward?

A Yes.

Q Was installation done?

A Yes, it was, and completed.

Q When did that contract begin?

A 1968.

Q Until when did the work go on?

A Until 1971, somewhat later than that.

3 Q When did the manufacturing phase end, if you recall?

A Actually the manufacturing went ~~at~~ 2 a pace, continued right through the job. That was the problem. It never stopped. There were constant increases.

Q When did the installation continue until?

A Until well into 1971.

Q Were you able to meet your expenses on a current basis during the two year Chapter XI period, yes or no?

A No.

Q Early in your direct testimony you told us about $8,250. which was provided through some family stock; do you recall that?

A Yes, I do.

Q What happened to that money?

A (No response).

Q Briefly?

A That money was put --

Q Where did it go is a better question?

A It finally ended up with the creditors' estate, the estate for the creditors. It's in the creditors' account.

Q Based on your own knowledge and understanding, by operation of what procedures did it get there?

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A (No response).

Q I want you to summarize it now.

A It was presented to the Court and possibly as a good faith deposited --

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Strike it out.

A It was deposited with the Court and then I understand when the company was adjudicated --

MR. LEVIN-EPSTEIN: Objection, hearsay.

THE COURT: Sustained.

Q What is your understanding as to whether or not any legal obligation to turn that $8,250. over to the bankrupt's estate?

A I had no legal obligation to that at all.

Q Was there a proposed contract under which you would be legally obligated to turn it over?

MR. LEVIN-EPSTEIN: Objection, calls for conclusion, speculation, improper direct examination, leading question.

THE COURT: I'll sustain it on the first basis that it calls for a conclusion.

Q I show you Defendant's Exhibit U, for identification, a four-page document. Does the Government wish to see it?

5 MR. LEVIN-EPSTEIN: If I haven't seen it before, of course I would like to see it.

MR. TAIKEFF: I believe the Government may have but I offer it again to the Government.

(Handing to Mr. Levin-Epstein).

MR. LEVIN-EPSTEIN: Is it your intent to offer this in evidence?

MR. TAIKEFF: Your Honor, I've shown it to the Government. May I ask my question?

THE COURT: He asked you a question whether it is your intent to offer. He apparently wants to argue something.

MR. TAIKEFF: I'm not offering it in evidence. I want to elicit testimony from this witness.

MR. LEVIN-EPSTEIN: I have no objection as long as there is no testimony about this document.

BY MR. TAIKEFF (Cont'd):

Q I show you Defendant's Exhibit U, for identification.

(Handing)

I ask you whether there is any written promises or obligations that you know of that obligated you to turn over the $8,250. to the bankrupt's estate, yes or no?

MR. LEVIN-EPSTEIN: Objection, the same objectio

I made when it was offered before, absolute hearsay, same question asked in different words. I object to the form of the question, elicited in this way.

THE COURT: He already so testified he claimed he had no legal -- he says -- the understanding in his claim he had no legal obligation to turn over $8,250. He's already answered that question. I'll sustain the objection, it's repetitive.

BY MR. TAIKEFF (Cont'd):

Q Did you ever propose to anyone that you be so legally obligated?

MR. LEVIN-EPSTEIN: Objection, leading.

THE COURT: Sustained.

Q What, if anything, did you do in connection with the $8,250. before it was turned over to the estate?

MR. LEVIN-EPSTEIN: Objection, irrelevant.

THE COURT: I'll allow it.

A I turned it to the Court as a deposit.

MR. LEVIN-EPSTEIN: Objection.

THE COURT: You turned it to the Court, period.

Q Was that before or after the bankruptcy adjudication?

A Before.

Q As far as you were concerned, could you have

7 taken that money back from the Court?

A No, I submitted it as a good faith deposit.

MR. LEVIN-EPSTEIN: Objection --

THE COURT: Strike everything after --

THE WITNESS: No --

THE COURT: -- the word "No." Bear in mind, ladies and gentlemen, this witness is a lawyer and he should know how to answer questions.

BY MR. TAIKEFF (Cont'd):

Q What is your understanding as to why you could not get the money back?

MR. LEVIN-EPSTEIN: Objection, calls for a conclusion, has nothing to do with this case.

THE COURT: I'll allow it, his understanding in that respect.

A I submitted it in an effort to prove --

THE COURT: Sustained.

MR. LEVIN-EPSTEIN: Objection.

(Read back the question)

THE WITNESS: Would you repeat it so I could understand it?

(Read back)

A I willingly gave it up.

MR. LEVIN-EPSTEIN: I ask it be striken, your

Honor.

THE COURT: No, I'll allow it.

MR. LEVIN-EPSTEIN: I ask it be striken as unresponsive.

THE COURT: That is his understanding as to why he couldn't get it back.

MR. LEVIN-EPSTEIN: Okay.

BY MR. TAIKEFF (Cont'd):

Q What was your understanding as to how that money would be used in the estate of the bankrupt corporation?

THE COURT: In the estate or by the debtor-in-possession?

THE WITNESS: The estate.

MR. TAIKEFF: It was never in the possession of the debtor-in-possession, that is not the testimony.

THE COURT: He put it up in the court in 1970; is that correct?

THE WITNESS: 1971.

MR. LEVIN-EPSTEIN: Objection.

THE COURT: I'll sustain it unless you clarify as to when you're talking about.

MR. TAIKEFF: Would your Honor allow him to briefly summarize the history of the $8,250?

THE COURT: Certainly.

9 BY MR. TAIKEFF (Cont'd):

Q Would you do that for the Court?

THE COURT: No, don't do it that way.

When did you put it up?

THE WITNESS: In early 1971, sir.

THE COURT: It sat in the court's coffers from 1971 until August 1972, is that right?

THE WITNESS: That's right.

THE COURT: After 1972 it became part of the estate of the bankrupt as far as you know?

THE WITNESS: Yes.

THE COURT: That is the history.

BY MR. TAIKEFF (Cont'd):

Q Once it went into the estate of the bankrupt corporation, what purpose was it to serve there?

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Sustained.

Q Was it to serve any special purpose?

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Sustained.

MR. TAIKEFF: Your Honor, might I come to side bar?

THE COURT: You ask it in the proper form and I'll let you ask it. He can't testify as to what

10 legal purpose. That is a question of law.

Q What is your understanding as to what is going to happen to the $8,250?

MR. LEVIN-ESPTEIN: Objection.

THE COURT: I'll allow it.

A It's to be distributed to the creditors.

Q When you first put up that money was it to be distributed to the creditors, originally?

A It was -- originally --

Q Yes or no?

A No, it was a deposit.

MR. LEVIN-EPSTEIN: Objection to anything further besides "Yes or no."

THE COURT: Strike everything after no.

Q Do you understand what it means when I say yes or no at the end of a question?

A Yes.

Q Will you in the future answer only yes or no as the case may be?

A I will, sir.

Q When you first put the money up, was it then to be given or distributed to the creditors as far as you understood, yes or no?

MR. LEVIN-EPSTEIN: Objection as leading.

11 THE COURT: Sustained, it's already been answered.

Q During the Chapter XI period, the two year period, did you receive any assistance from Herbert Garten, the attorney in ~~Merrick?~~ Maryland?

A Yes, I did.

Q Categorically, will you summarize the nature of the assistance which he gave to Stafford during that period, ~~category~~ categorically, not with details?

A He devoted his services toward securing bank loans from Maryland National Bank to Stafford Manufacturing. In that connection he developed a number of loans, at the regular interest rate which of course the loans were approved by the Bankruptcy Court at all times.

Q Did he offer any encouragement or discouragement with respect to whether or not you should go through the Chapter XI effort at the beginning?

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Sustained in that form. Don't lead him.

MR. TAIKEFF: Did your Honor say as to form?

THE COURT: It's leading.

What additional services, if any, did he perform?

THE WITNESS: He at one time went to Bethlehem Steel with me, as an associate under the claim we had

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with Bethlehem Steel, the navy. He appeared before the navy. He worked, arranged for a loan and gave a loan to IRI, the organization who had me make -- had the company make the portable dryers.

MR. LEVIN-EPSTEIN: I object to all of this as cumulative.

THE COURT: All right. He's listing what he had, which is what was asked.

What else?

THE WITNESS: He gave me considerable legal advice in handling the affairs of the business and he attempted to help me pull it through so that we could get out of Chapter XI.

BY MR. TAIKEFF (Cont'd):

Q When you say, "Get out of Chapter XI," you mean into bankruptcy?

A No, I'm sorry. I mean where an arrangement could be had with the creditors and we could be discharged so we could proceed on a normal continual basis as Stafford Manufacturing Company.

Q Did there ever come a time within the two years where he advised you on the subject of whether or not you should voluntarily go to bankruptcy, yes or no?

A Yes.

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Q What was his opinion expressed to you?

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Sustained.

MR. TAIKEFF: Is that on the basis of hearsay?

THE COURT: Yes.

MR. TAIKEFF: It's not offered for the truth of the statement, your Honor, it's offered for the fact --

THE COURT: Wait a minute. He gave advice, he already so testified.

MR. TAIKEFF: Not as to this aspect.

THE COURT: This witness testified he received this advice. You can't get that advice, that's hearsay.

MR. TAIKEFF: I'm not offering the advice as to the truth of its contents. Quite the contrary --

THE COURT: I don't see how it could come in otherwise.

MR. LEVIN-EPSTEIN: Not from this witness, anyway.

MR. TAIKEFF: Might I explain it to your Honor?

THE COURT: Come up here.

(Side bar)

MR. TAIKEFF: First, let me tell your Honor what the testimony would be. The testimony would be that towards the end of the period the testimony will be that Herbert Garten advised him to give up, not to

14 keep struggling under Chapter XI and to voluntarily go into bankruptcy. I respectfully submit to your Honor that is not hearsay because we are not offering it for the truth of its contents; merely to show the statements made to him, his testimony would be that he refused to accept that advise.

MR. LEVIN-EPSTEIN: Why didn't they ask Garten?

THE COURT: I'll have to sustain it. It's hearsay. It can be offered for no other purpose, for the truth of the matter asserted. He relied on that statement --

MR. TAIKEFF: The truth of the matter asserted would be that he should go into bankruptcy.

THE COURT: No, no, this is advise we're talking about. I'm going to sustain it.

(Open Court)

BY MR. TAIKEFF (Cont'd):

Q At any time between August 10, 1970 and August 8th, 1972, did you ever seriously consider voluntarily going into bankruptcy?

MR. LEVIN-EPSTEIN: Objection, leading.

Q Yes or no?

THE COURT: I'll allow it.

A No.

15 Q What was the address of Stafford Manufacturing?

A 145 58th Street, Brooklyn. That was the principle address, but they had other locations.

Q But its main office address was?

A 145 58th Street.

Q When did Stafford Manufacturing Company, Incorporated stop its business operations? If you don't have an exact date, give us an approximate.

A Within a few days after the order of the adjudication.

Q What is Stafford Marking Company?

A Stafford Marking Company is a name I've used for the line of name plates and marking products that are manufactured by American Identification.

Q When did you start using that name?

A On or about the time when American Identification was formed.

Q Can you give us an approximate date?

A About September, 1972.

MR. LEVIN-EPSTEIN: I'm sorry, I didn't hear that.

THE WITNESS: About September, 1972.

Q When, if ever, did you stop using the name Stafford Marking Company?

16 A I still use it.

Q Again, I want very brief summary kind of words. What does Stafford Marking Company do?

A Stafford Marking Company is a trade -- a sales name, a trade name, for actually one of the trade names for American Identification. I'm keeping the Stafford name, many of the customers, like Coastal, New Stafford and Sperry and other shipyards and, therefore, I kept the name. I wanted to keep it alive.

Q Did you ever use the name -- you personally -- use the name Stafford Marking Company, in business, before August 10, 1972, yes or no?

A No.

Q What was the name of the company that the witness who preceded you worked for?

A Coastal Drydock.

Q Does Stafford Marking Company do business with Coastal?

A Yes, they do.

Q Do they do name plate business?

A Labeling, ship label, yes.

Q Who does the engineering for those jobs?

A American Identification.

Q Who does the manufacturing for those jobs?

A American Identification.

Q Who does the installation?

A American Identification Products.

THE WITNESS: Your Honor, I just read this --

MR. LEVIN-EPSTEIN: I'm going to object.

THE COURT: Don't volunteer anything.

THE WITNESS: I'm sorry, there is something in error I want to correct.

THE COURT: Wait for your counsel's question.

THE WITNESS: I'm sorry.

BY MR. TAIKEFF (Cont'd):

Q Returning your attention to 145 58th Street and I am concerned with the period of time, without mentioning the beginning of it, which ends on August 10, 1972. I want you to look backwards from that date. At 145 58th Street, what was located inside that premise, generally? I don't want a detail --

A Machinery equipment, materials of all types for the manufacture of old and new types of marking devices.

Q Who was the owner of the various things which you have just described in summary for us, just give us names?

A (No response).

Q Or a name as the case may be?

A Well, the major portion was owned by Stafford

18 Manufacturing Company, Incorporated, but there was a sizable portion that was owned by the sons of Benjamin Franklin Moss.

Q Who is Benjamin Franklin Moss?

A My father.

Q What was the nature of that property?

A (No response).

Q Generally speaking?

A Old badge dies like I have in my hand now (indicating), all types of old stencil dies from dad's original business. Steel stamps, cutting dies, old stencils, old stamp name plates, printing presses of the old type, vulcanizers, used for making rubber stamps, rubber stamp parts, old paper cutters, going back about 75 to 100 years. The steel and rubber stamp components, burning brands used for burning horses in the First World War and that type of old items which were no longer manufactured by Stafford Manufacturing, why no longer used or needed in the industry for the most part.

Q How and or where was this property stored within 145 58th Street?

A Most of it was stored in a large room, an area, in the plant. Some of the equipment was outside the rooms, but a lot of the dies -- several thousand dies, I would say and everything, a large amount of material, blanks of all kinds, were stored in a long store room.

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Q How many separate rooms are there at premises?

A (No response).

Q By the way, how many years have you worked at that premise, you personally?

A 33 years.

Q How many days a week?

A From five to seven days a week.

Q Tell us how many rooms there are in that premise or to be more precise, in August of 1972, how many rooms were there in that place?

A About 15 storage rooms; not offices. Are you asking me about offices?

Q Why don't you give us the total and then I'll ask you some questions --

A Well, the area was about 15,000 square feet and there was -- there were two or three offices, two offices with one subdivision and, of course, fairly good sized manufacturing areas and I would say about 15 rooms, anywheres from closet space, for closets, to rooms as large as that area directly in back on this side (indicating). I'm referring to the back of the courtroom where the spectators are sitting on my right side.

Q You mean half the total spectator section?

A Well, one of the rooms is the size of the

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spectator section.

Q You said there were closets. How many closets were there in the place?

A I would say about 13.

Q How big were these closets?

A Anywheres from a small closet over the work area -- a closet could be maybe three feet by four feet to a walk-in closet, let's say, in a small room, you know, that type of a closet.

Q What did you keep in the closets, not the rooms, I'm asking you about the closet?

A What did Stafford keep in the closets?

Q Yes.

A For the most part, tools and portable pieces of equipment and some components of material.

Q How about the rooms other than the space which you have described as the manufacturing space; how many rooms were there?

A I would say about 15.

Q What sizes, give us the range from the smallest approximate dimensions to the largest?

A I referred to the largest a few moments ago.

Q As being what, about half the size of the spectator section?

A We are talking about storage rooms, are we not, sir? We are not including manufacturing?

Q Let's clarify that point. You have rooms in which manufacturing goes on?

A It's a large area.

Q Give us an example?

A An area the size of this room would be a manufacturing area.

Q The entire room?

A And there were three manufacturing areas, I would say. There are three manufacturing areas.

Q Each of them about the size of this room?

A Or larger, but, you know, within the approximate size of these rooms, somewhat larger.

Q Now we have offices, you have a number of manufacturing rooms, probably as big as this room each. You have closet space and now you have additional rooms of about 15 in number. I want you to focus your attention on those 15 rooms. What would be or could you say what the approximate dimension was of the smallest of those 15 rooms?

A I would say about the size of the table in which Mr. Levin-Epstein is sitting, about six feet by four feet, I would say would be a small room.

Q How many of those were there?

A Three or four.

Q What were they used for?

A Storage of tools, small equipment, portable equipment, parts of work in processes, parts of equipment, general, varied. I'm afraid in not too good an order.

Q How about the largest room, what would you say the overall dimension of the largest room of the 15 rooms?

A I would say 15 x 12 feet.

(Continued next page)

DIRECT EXAMINATION

BY MR. TAIKEFF: (Continued.)

Q What was that room used for?

A Dies.

Q How about the rooms in between in sizes, what were they used for; that is to say, between the smallest three and the largest one?

A What they were used for?

Q Yes.

A The same type of material, parts, pieces, small machines, parts of machines, material components, tools and just about anything that a factory of manufacturing products would use, finished products in some instances.

Q In what rooms were your father's business materials stored?

A Dad's material?

Q When you say material, do you mean something when you say material?

A I mean tools and dies and blanks, if you can call it such, you know, blank parts, in other words unstamped, unmarked and some marked pieces, finished or unfinished parts used in making the old-style products were stored in the room and the dies were also stored in the room.

Q A different room or the same room?

A the dies were stored in one room and the components and parts were stored in another area. That does not include the pieces of equipment.

Q Where are the pieces of equipment?

A Well, they were going -- going through the plant they were in the area in the rear of the plant, just beyond the storage room for the tools.

Q Was there any basis, other than their location, upon which you could identify the property which you claim to be your father's?

A Yes.

Q What is that basis, briefly?

A Knowledge of the parts and the units and knowing they didn't fit in with the rest of the plant. They were just antiquated -- they were just antiquated.

Q I place before you Defendant's Exhibit D for identification, A for identification, E for identification, F for identification, Z for identification and AA for identification. (Handing.)

A Yes?

Q Do you recognize what is depicted in each of these photographs?

A Yes, I do.

MR. TAIKEFF: Does the Government wish to see the photographs, your Honor?

MR. LEVIN-EPSTEIN: Of course.

Q What's depicted in Defendant's Exhibit D for identification?

A Well --

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Pardon?

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Go ahead.

A It's an old paper cutter on which --

THE COURT: That's enough.

THE WITNESS: There are two items located --

THE COURT: On which?

THE WITNESS: On which is placed an old mitre cutter for cutting rubber stamps.

THE COURT: All right, old mitre cutter.

Q Were those two objects which are depicted in that photograph on the premises, 145 58th Street on the day of the auction as far as you know of your own personal knowledge?

A No, September 7th -- you mean the date of the auction?

Q That's right.

A No.

Q I place before you Exhibit E. What does that depict?

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Until you offer it in evidence.

MR. TAIKEFF: Before the witness says what it depicts?

THE COURT: Before you can describe it.

MR. TAIKEFF: Beg pardon?

THE COURT: You must offer it in evidence before he can describe it.

MR.TAIKEFF: All right, I offer it in evidence.

MR. LEVIN-EPSTEIN: Objection.

THE COURT: What ground?

MR. LEVIN-EPSTEIN: Relevance.

MR. TAIKEFF: That's why your Honor can't rule on the relevance until he says what it is.

THE COURT: I'll take it subject to connection.

MR. LEVIN-EPSTEIN: Voir dire, I'll ask for a short voir dire.

MR. TAIKEFF: I object again for the reasons stated earlier this morning.

THE COURT: I'll sustain your objection. I'll take it subject to connection. Offer it in evidence.

MR. TAIKEFF: I did and I do.

THE COURT: Bring it over to Mr. Nims, have him put a sticker on and have him mark it properly on the record.

THE CLERK: Defendant's Exhibit E, photograph, marked in evidence.

(So Marked.)

MR. TAIKEFF: Thank you, sir.

Would you be kind enough to tell the court and the jury what's shown in Exhibit E, just generally speaking? I'll ask you questions about it.

A There are stencil dies for cutting brass stencils of various property.

Q Whose property?

A Ours -- I mean my brother's and mine, not my father's initial. He's "G," the various sizes of stencil dies, with hand and machine dies, of the Roman type, which is the old-style type of letter with the curlicues; steel stamps -- steel stamps of various types, mostly numbers and figures and letters, of course.

Q Do you have any personal knowledge as to whether or not those objects were on the premises at the time of the auction sale, yes or no?

A No response.

Q Do you have any knowledge?

A Yes, I have knowledge.

Q Were they there?

A No.

MR. TAIKEFF: May I at this time, to save time, have all of these photographs marked and then elicit, subject to connection, your Honor?

THE COURT: Yes.

MR. TAIKEFF: I therefore request --

THE COURT: Show them to Mr. Levin-Epstein.

MR. TAIKEFF: I already have.

THE COURT: Fine.

MR. TAIKEFF: That Exhibits D, A, F, Z, and AA be marked in evidence.

THE CLERK: Defendant's Exhibits A, D, F, Z, and AA marked in evidence subject to connection.

(So marked.)

MR. TAIKEFF: Does the Government want to see them again, your Honor?

MR. LEVIN-EPSTEIN: Have they changed since I saw them a moment ago?

MR. TAIKEFF: I don't believe they have, your Honor.

THE COURT: Show them to the witness.

Q I place before you F in evidence. (Handing.)

Tell the jury and the court, briefly, what that depicts?

A It's one of Dad's old printing presses.

Q Was that on the premises at the time of the auction sale, yes or no?

A No.

Q Do you know where it was, yes or no?

A Yes.

Q I show you A in evidence. (Handing.) What's in that picture?

A These are type drawers, for wooden and metal type, formerly in cabinets, but the cabinets were destroyed and now we only have the doors there.

Q Were those objects on the premises at the time of the auction sale?

A No.

Q Do you know where they were?

A Yes.

Q You've told what's in D previously. I don't know whether I asked you. I'll make sure by asking you again, do you know where those two objects were (Handing to witness)?

A Yes.

Q That's the cutting machine?

A And the mitre.

Q And the mitre cutting machine. Were they on time?

A My mother-in-law, Florence Garten.

Q When did that property return to 145 58th Street from Long Beach?

A In early '73, about, approximately, early 1973 I should say.

Q Do those photographs depict all of your father's property that was in 145 58th Street?

A No.

Q Is there more of your father's property presently in 145 58th Street?

A No.

Q Briefly, explain the relationship between what you have now and what was taken to Long Beach.

A There's less now. There's only a portion, let's say 50 percent, left now. The materials taken to Long Beach included type cases which had the type drawers in them. Because they're aged, in the moving they were damaged and broken. We had to dispose of Dad's old rubber vulcanizers. They fell apart. One of the printing presses became scrap. I just got rid of it. I disposed of scrap and throwing into [illegible] a lot of the components that I liked so much, but I decided they were of no value.

MR. LEVIN-EPSTEIN: I don't object to what the premises at the time of the sale?

A No.

Q How about AA in evidence?

A Shall I describe it to you?

Q Yes, please.

A These are --

Q What are they called?

A They're dies, they're old badge dies for styles f badges, the type my father used to manufacture, similar this item I'm holding in my hand which I carry around with e, which is an old fire badge (Indicating.), at least a old from an old fire badge. These are the actual dies themlves which I used to form up the badges.

Q You pour metal into them?

A Not quite, you put a small strip of metal and ress comes down and creates the shape.

Q Was that material on the premises at the time the sale?

A No.

Do you know where it was?

Yes.

How about Z in evidence, (Handing.)?

These are medallion dies and they're used for various types of button medallions.

Q Was that material on the premises at the time of the sale?

A No.

Q Do you know where it was?

A Yes.

Q You have before you six photographs, is that correct?

A Yes.

Q At any time in the history of the world, did any of the objects depicted in those six photographs belong to Stafford Manufacturing Company, Inc.?

A No.

Q Do you know where those photographs were taken?

A Yes.

Q Where were they taken?

A At the plant, at 145 58th Street.

Q Approximately when were they taken, within how many days, weeks, months or years of today?

A Within the last ten days.

Q Where were the objects shown in that photograph on the date of the auction sale, September, 1972?

A They were in a store in Lido Beach, Lond Island near Long Beach.

Q Who owns that store or who owned it at that

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time?

A My mother-in-law, Florence Garten.

Q When did that property return to 145 58th Street from Long Beach?

A In early '73, about, approximately, early 1973 I should say.

Q Do those photographs depict all of your father's property that was in 145 58th Street?

A No.

Q Is there more of your father's property presently in 145 58th Street?

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A There's less now. There's only a portion, let's say 50 percent, left now. The materials taken to Long Beach included type cases which had the type drawers in them. Because they're aged, in the moving they were damaged and broken. We had to dispose of Dad's old rubber vulcanizers. They fell apart. One of the printing presses became scrap. We just got rid of it. I disposed of scrap and throwing into rubbish a lot of the components that I liked so much, but I realized they were of no value.

MR. LEVIN-EPSTEIN: I don't object to what

Mr. Moss likes. I object to the relevance of these last remarks, to be stricken, the jury disregard them.

THE COURT: Yes.

Q Other than your father's property, was any other machinery, equipment or materials transported from 145 58th Street to Long Beach as far as you know?

A No other material.

Q Who transported your father's materials to Long Beach for you?

A Albert Seifer.

Q Did you in any way directly or indirectly cause or participate in the transportation of any of Stafford's machinery, equipment, materials, plans, dies, presses, power presses, drill presses, cutting machines or anything else at any time?

A Absolutely not.

Q To Long Beach or any other location?

A That's right, no, sir.

Q You were in the courtroom when Mr. Seifer testified, were you not?

A Yes, I was.

Q Did you listen to his testimony?

A Yes, [illegible] did.

Q [illegible] you remember what he said about how many people helped him move the property he described?

A Yes, I did.

Q How many people do you remember him mentioning?

MR. LEVIN-EPSTEIN: Objection. Irrelevant what Mr. Moss remembers. It's up to the jury to remember what the testimony was.

Q What are the names of the people he said helped?

MR. LEVIN-EPSTEIN: Objection, I don't care what Mr. Moss's recollection is. It's up to the jury.

THE COURT: It's the jury's recollection that controls. I'll let him, not for the purpose --

A He mentioned --

THE COURT: Wait a minute. Not for the purpose of the truth of anything he's saying, but to answer the question, to give him framework to start on the next question.

MR. TAIKEFF: Thank you, your Honor.

A He mentioned George Gross and Matthew Williams. He transposed the name. I think he called him William Matthews, but it's Matthew Williams. He mentioned a third name which I can't identify. He used Willie. I don't know if he's referring to Matthew Williams or someone else. I couldn't determine who he was referring to.

Q Do you know anything about George Gross as of this time?

A Yes.

Q What do you know?

A George Gross is dead.

Q Do you know when he died?

A I think he died about a year and a half ago.

Q Do you know anything about Matthew Williams as of this time?

A Yes, I do.

Q What do you know about him?

A Matthew Williams is also dead.

Q When did he die?

A He died this last Thanksgiving one year ago, Thanksgiving night.

Q Do you know the person or the identity of the person who Mr. Seifer described as Willie?

A No, he might have been referring to Matthew Williams. I have that impression but I don't know.

Q According to Mr. Seifer's testimony, on August 31st, 1972, a truck was rented and it was used to transport property to Long Beach, Long Island; did you hear that testimony?

A Yes, that date again, sir?

Q August 31, --

A Yes, I heard that.

Q Are you familiar with that rental arrangement?

A Yes, I am.

Q Did the truck which was rented on August 31st, 1972 travel to Long Beach, Long Island, yes or no?

A No.

Q Where did it go?

A Went to Staten Island.

Q What did the truck contain when it went to Staten Island?

A No response.

Q A word or two will suffice.

A Some furniture.

MR. TAIKEFF: Might I ask for the Exhibit which reflects that particular rental?

MR. LEVIN-EPSTEIN: Referring to Government's 53 in evidence, your Honor.

Q I'm placing before you Government's 53 in evidence (Handing.). Mr. Moss, has it been your experience in life that you always remember everything perfectly?

A No.

Q Is there anything about that rental contract, Government's Exhibit 53 which in any way assists your memory with respect to your statement that that truck did not go to Long Beach?

A Yes.

Q What?

A Two factors.

Q Tell us, please.

A First, on the mileage driven, it's 27 miles. It went from Brooklyn to another destination and back. It could not go to Long Beach because Long Beach is about 30 miles from Brooklyn.

Q One way?

A One way.

Mr. Kay testified it was 35 miles.

Q Just tell us what you know. The jury heard Mr. Kay's testimony. Anything else on this that helps you in any way?

A Yes, August 31 is the date.

Q What significance does that have in terms of helping your memory with respect to the fact that the truck did not go to Long Island with any equipment from the plant?

A The plant was closed down --

Q Or didn't go to Long Island at all?

A No, sir, the plant was closed down from August 21 until September 7th. The auctioneers were in control. Nobody got into the plant.

MR. TAIKEFF: Might I have one moment to confer with Mr. Engelstein, your Honor?

(Pause.)

MR. TAIKEFF: Thank you, your Honor.

Q Did you ever have any conversations with Mr. Seifer concerning the money which was owed?

A Yes, I did.

Q First let me make clear that there are three periods of time I'm going to question you about. Mr. Seifer began working for you in what year or your company, what year?

A I think around the erarly sixties.

Q He was there when you went into Chapter 11 on August 10, 1970, was he not?

A Yes.

Q That's period number one, you understand that?

A Yes.

Q You were in Chapter 11 until August 10, 1972, right?

A Yes.

Q That's period number two.

After that did he continue to work for any company you're associated with?

A Yes.

Q For which company?

A American Identification Products.

Q When did he start?

A Probably within the week or two that American was formed and in business. I can't fix the exact time.

Q Then he left on June 15, '73?

A Yes.

Q That's the third period.

A Right.

MR. LEVIN-EPSTEIN: Could we have that date one more time, I'm sorry.

MR. TAIKEFF: The witness said a week or two after American was formed until June 15, 1973, I asked him and he said yes.

MR. LEVIN-EPSTEIN: What was the date that American was formed?

Q Could you know the date American was formed?

A Yes. It was around, I think, September -- September 5th. Mr. Garten indicated it was September 5th that they filed or applied for the corporation. I don't know just the date it was actually accepted as a corporation, but within that period, September 5th or September 15th.

MR. LEVIN-EPSTEIN: That answers my question.

Q You have the three periods in mind?

A Yes.

Q As far as you know, do you or any company that you have ever been associated with owe Mr. Seifer any monies or any salary for period number three, the period being in September of '72 and ending in June of '73, yes or no?

A No.

Q As far as you know, does Stafford or do you personally owe Mr. Seifer any monies or monies for salary for the second period, the Chapter 11 period, yes or no?

A No.

Q As far as you know, are there any monies owing to Mr. Seifer for the first period, yes or no?

A Yes.

Q Are those the monies that he had conversations with you about?

A Yes.

Q Approximately how much money was involved?

A I think around $750 or $800.

Q What was that money owed for?

A That was for payroll, salary, owed prior to the Chapter 11 period.

Q Do you know whether or not Mr. Seifer ever filed a claim with the bankruptcy court for salary owing to him for period number one?

A Yes, he did, I know.

Q Would you tell us, first of all, how many conversations Mr. Seifer had with you on the subject of this outstanding debt?

A I'd say about 15. That would be a modest figure.

Q Essentially, what did he say to you?

A He wanted to be paid for the pre-Chapter 11 salary.

Q That's the period-one salary?

A Period one.

Q What did you tell him when he asked you?

A I told him since he had filed a claim it was in the hands of the court and I was not permitted to do anything, even if I chose to help him, I might want to help him I could not pay it. The law was very clear that once claims have been filed under Chapter 11, everybody came under the protection or the umbrella of the court. I explained that to him.

Q Other than asking you for his money, or specifically inquiring about the money, did he ever have any conversation concerning the subjects of the debt?

A Yes.

Q What did he say in that regard and try to pinpoint it in time if you can?

A Sometime after he left the organization -- subject to the connection of the organization -- which I understand is approximately mid-June of 1973, he came down to see me at the plant. I was there at the time he came in, on two separate occasions. He wanted to go back to work. I said, "Al, there's too much of a problem. I can't take you back. You create too much of a problem with people. I would like to help you as much as I possibly can, but I can't continue." He said he wanted his money. He said, "If I don't get my money I'm going to make trouble." I said, "Al, I don't know what you're talking about. You go to the court if you want, tell your problems, but I can't help you with any money because I'm not permitted to."

He then said he had a relative who was involved in the law and he'd make problems. Once again I repeated. I explained my position to him. My hands were tied. I couldn't help him for that period.

Q When Stafford was adjudicated involuntarily a bankrupt, on August 10, 1972, was there on that date any money owing to Mr. Seifer?

A Yes, there was.

Q For what was that money owing?

A That was, I think, for the last two weeks of the payroll period just prior to the adjudication.

Q You said that that money is no longer owed?

A That's right.

Q Did he collect that from the bankruptcy court?

A Oh, no.

Q Didhe collect that from the trustee?

A No.

Q Where did he get it from?

A He got it from me.

Q What was the nature of Mr. Seifer's work?

A Originally --

Q Generally speaking.

A Originally, for some years he was in the plant. He was familiar with assembly and performed various assembly operations and mechanical operations in the plant.

Q Such as?

A No response.

Q What kind of assembly operations?

A Well, riveting, power press work, attachments of various types, minor machine work such as filing and drilling. He had a familiarity with that type of work.

Q You heard him testify that he originally was making $80 a week?

A Yes.

Q Was that his net or gross pay?

A I think it was net pay. I can't be sure, I really can't. I might say it came -- he came in really as an unskilled worker. He really was not a mechanic at all. He just did actual -- what you might call unskilled, totally unskilled labor.

Q I'm going to ask you some questions about the specific charges in the indictment. Before I do that, is there any other topic or subject you want the jury to know about that I haven't touched upon?

MR. LEVIN-EPSTEIN: I'l object to that, on a myriad of grounds, your Honor.

MR. TAIKEFF: I'm asking if there's any topic that I have neglected to question him about.

MR. LEVIN-EPSTEIN: This isn't a forum for speech making, your Honor.

THE COURT: Sustained.

Q Listen to my question and answer my question.

Count one of the indictment charges you, on or about, but not later than the 10th day of August, 1972, in contemplation of a bankruptcy proceeding, knowingly and fraudulently concealing in 1967 a GMC truck. On what date did that '67 GMC truck travel to Long Island and remain there?

A On August 11th.

Q Did you ask Mr. Rubin to make some arrangement to find a place where that truck could be parked?

A Yes.

Q Did he report back to you that he had found such a place?

A Yes.

Q Other than that, did you have any conversation with Mr. Rubin concerning that subject?

A No.

Q At or about that time?

A No.

Q Did he ask you any questions concerning that subject?

A No.

Q What was his relationship to Stafford at the time in question?

A He was an employee.

Q When that truck was taken to Long Island and left there, was it your intention to defraud anyone of anything?

A No, sir.

Q Was it your intention to defeat the bankruptcy law?

A No, sir.

Q Did you have any conscious intention to conceal the truck?

A No.

Q Counts three and four of the indictment relate to the subject of a 1969 Chevrolet --

THE COURT: Mr. Taikeff, before you get into Count three and four, we'll take a five minute mid-morning recess and give everybody a break. Don't discuss the case.

(Recess.)

(Continued on next page.)

T2AMR5
SS:KG

(jury enters the courtroom)

DIRECT EXAMINATION

BY MR. TAIKEFF:

MR. TAIKEFF: Might I resume, your Honor?

THE COURT: Please do.

Q Mr. Moss, I was up to the third count of the indictment. I was saying to you at the point of the recess that it deals with a 1969 Chevrolet station wagon.

Do you know anything about Stafford and a 1969 Chevy station wagon; yes or no?

A Yes, I know something about it.

Q At, let's say, during the first eight months of 1972, for an example, how many station wagons were involved in Stafford Manufacturing Company's business?

A Two.

Q One of them, I assume was a 1969 Chevy station wagon; is that a correct assumption?

A It is.

Q Where was that vehicle generally employed? Where, I ask you?

A At the shipyards which went from Baltimore to New Orleans.

Q Did Mr. Seifer ever drive the station wagon?

A That one?

Q No. Did he ever drive a station wagon?

A Yes.

Q Did he drive that one regularly?

A Not regularly. I don't know if he ever drove it, actually. I can't tell. There was a regular station wagon the plant used for pick-ups and deliveries. That's the one he drove.

Q What color was the 1969 Chevrolet?

A Yellow.

Q Beg pardon?

A Yellow.

Q How about the other station wagon?

A I believe yellow.

Q Did you own the seocnd station wagon?

A No.

Q Do you know where you got it from, where Stafford got it from?

A We rented it from an outfit or organization called -- a rental agency called Morse Associates.

MR. TAIKEFF: Might I confer with the Government your Honor?

(pause)

MR. TAIKEFF: Might I have these photostats marked for identification, your Honor?

THE CLERK: Defendant's Exhibits FF, two pages --

MR. TAIKEFF: Photostats on both sides.

THE CLERK: Marked for identification.

(so marked)

MR. TAIKEFF: May the record reflect I have shown this exhibit to the Government, your Honor.

THE COURT: Very well.

Q I'm placing before you, but face down at this time (handing) defendant's Exhibit FF for identification. For how long did you rent that second station wagon from Morse Associates?

A I believe about a year, a year and a half. I think they rented on a two-year contract. I don't know whether we --

MR. LEVIN-EPSTEIN: Objection to anything further than "a year a year and a half" if that's the best estimate of his recollection, your Honor.

THE COURT: No, I will not sustain the objectio Go ahead.

A Those rental agreements, I think, are for two years or 26 months --

MR. LEVIN-EPSTEIN: I suggest at this time it's not being responsive to the question.

A And --

MR. LEVIN-EPSTEIN: Objection, Mr. Moss.

THE COURT: sustained.

Q What was the nature of the rental arrangement with them?

A A monthly payment for the period of the contract.

Q During that period of time did you have the same vehicle or did the vehicle change periodically?

A Every contract period the vehicle would change.

Q What was the duration of the contract period?

Q Either two years or 26 months. I don't recall the exact duration, but somewhere, either 24 or 26 months.

Q Do you know whether Morse Associates was ever paid?

MR. LEVIN-EPSTEIN: I assume that's M-O-R-S-E?

THE COURT: M-O-R-S-E.

MR. TAIKEFF: I believe that's the spelling, yes.

A Yes, they were paid.

Q Will you turn over the exhibit I placed in front of you?

(witness complies).

Q (continued) Do you know what you are looking at?

A Yes.

Q What are you looking at?

MR. LEVIN-EPSTEIN: Objection.

MR. TAIKEFF: Offered in evidence.

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Let me see it.

(handed to the Court by the witness)

THE COURT: Step up, gentlemen.

(sidebar)

THE COURT: Is the basis of your objection on the grounds they are not the originals?

MR. LEVIN-EPSTEIN: That's only one part of the objection, your Honor.

THE COURT: Have you got the originals?

MR. TAIKEFF: May I tell you the circumstances?

THE COURT: Do you have the originals?

MR. TAIKEFF: I do not have possession. They were just deliverd to me. I was going to tell your Honor under the circumstances this happened. Last night at about 7:00 I regret to say because I think it reflects a lack of preparation on my part, I learned for the first time that there was this second station wagon which had been rented. The bookkeeper was present in my office when that revelation was made. I asked her to bring me any evidence she could find in the office that would indicate that there were such payments. She delivered that to me about one minute before the recess ended. Mr. Moss didn't know I had that when I put that in front of him.

Surely, the original must exist at the plant because she just made -- I assume she just made that photostat for me.

MR. LEVIN-EPSTEIN: Which is one of the bases for the objection, your Honor. Almost a year ago the Grand Jury subpoenaed Mr. Moss and any other persons from Stafford Manufacturing to deliver all checks, cancelled and otherwise of the debtor in possession.

We never received this check. I've never seen it until this time. I object on that ground.

THE COURT: Do you have the subpoena?

(open court)

THE COURT: This is going to take a few minutes, ladies and gentlemen. Take a recess, but please, don't discuss the case.

(jury leaves the courtroom)

MR. LEVIN-EPSTEIN: I'm informed perhaps there was not a subpoana as to those checks. However I'm informed by Mr. Kay that all those checks that we had received that were supposed to be all the checks after having served process on the accountants for the trustee. These checks were never turned over to them.

MR. SHERMAN: So what. There should have been another count in the indictment.

MR. LEVIN-EPSTEIN: Excuse me, I know this is not your offer.

MR. SHERMAN: Offered against my client.

THE COURT: Where is the demand for these records --

MR. LEVIN-EPSTEIN: Rule 16 demand.

MR. TAIKEFF: I just got it. I didn't know about it subject until last night.

THE COURT: If you are withholding books or records --

MR. TAIKEFF: Beg pardon.

THE COURT: If You are withholding -- your client more properly put withholding records that should have been produced before the Grand Jury or otherwise you may find sanctions imposed --

MR. TAIKEFF: That is a separate matter of whic

I have no knowledge. I'm just informing your Honor -

THE COURT: You see, it's perfectly clear, Mr. Taikeff, if the Government isn't entitled to move against documents such as this, the way is open in any case for a defendant to hold on and spring it to the Government without giving the Government the opportunity to check the information out.

MR. TAIKEFF: No defendant would ever consciously fail to tell his lawyer there was a second yellow station wagon.

THE COURT: I don't know.

MR. TAIKEFF: Intentionally.

THE COURT: I don't know. I would have thought that would be the first thing he would have told you.

MR. ENGELSTEIN: Are we on the record?

MR. LEVIN-EPSTEIN: Yes.

MR. ENGELSTEIN: The lawyers for the trustee, after the originals of the check --

MR. TAIKEFF: Of these checks. He then said Florence got these copies from Jane Compton Esq.

MR. ENGELSTEIN: Right. These checks must have been given to the attorney for the trustee at the time they were requested.

THE COURT: Is she outside?

MR. TAIKEFF: We could put her on the stand.

MR. LEVIN-EPSTEIN: I would like that testimony.

MR. TAIKEFF: Might we call her?

THE COURT: Sure.

Step down.

(Mr. Moss is excused)

FLORENCE WALLACH, called as a witness having been first duly sworn by the Clerk of the court took the stand and testified as follows:

MR. TAIKEFF: Since there are times I feel that I feel that I am not successful in proving to the Court that I practice law in a most ethical way, I will at this time waive my right to examine this witness first and if the Government wishes to do so I will gladly allow them to inquire first.

MR. LEVIN-EPSTEIN: I have no questions of her except what you intended to offer at the sidebar. Ask her the questions.

MR. TAIKEFF: I thought there was an implication perhaps I had withheld something and since I haven't had an opportunity to speak with this witness, I was perfectly happy to have the Government go first.

THE COURT: I did not say you had withhelf something, Mr. Taikeff. If you remember my remarks at the sidebar -- do you wish to examine her?

MR. LEVIN-EPSTEIN: I don't know what she has got to do with these checks, your Honor, except on payroll sheets or a payroll book in the possession of the accountant for the trustee or the attorney for the trustee because I told him that I believe that they had books and records, but I had never seen them and had not contact with them. I just want your Honor to know that so your Honor will know that there was no effort to conceal the possible existence of other records of the corporation in the hands of other people who are officially connected with this matter.

THE COURT: Nobody is charging you with that.

MR. TAIKEFF: I'm just making my record complete and informing your Honor, that's all.

THE COURT: All right.

Bring back the jury.

(The jury entered the Courtroom.)

GEORGE MOSS, having been previously duly sworn, resumes the stand and testifies further as follows:

MR. TAIKEFF: Might I resume, your Honor?

THE COURT: Yes.

DIRECT EXAMINATION

BY MR. TAIKEFF: (Continued)

Q We were talking about the 1969 Chevrolet station wagon. Was that vehicle garaged in the New York metropolitan area?

A Most of its existence, no.

Q Where was it garaged, generally?

A Generally in Baltimore, when the work was being done on the ships down there.

Q By whom was it used?

A By about six or seven different drivers because they worked for me aboard the ships. They all took turns driving the cars.

Q What or how or the circumstances was it used. Do you understand that question?

A Not quite, sir.

Q Was it used on over the road trips, was it used for local deliveries, was it used on the docks and piers; how was it used, what circumstances?

A Used to transport the men from ship to ship together with the supplies and ship to shore with the label plates, supplies, drilling tools and it went from Baltimore to Charleston to Norfolk to Charleston to New Orleans and back over its active history.

Q Did you have any direct personal contact with the 1969 Chevrolet station wagon?

A No.

Q Other than the technical fact that you were president of that corporation?

A No.

Q Did you ever drive it?

A No.

Q Did you ever transport it anyplace?

A No.

Q Did you ever conceal it anyplace?

A No.

Q With or without fraudulent intent?

A No.

Q Did you ever cause any other person to take it someplace for the purpose of concealment, whether with or without fraudulent intent on your part?

A No.

Q Count Six of the indictment concerns a Clark forklift truck. Have you seen the Government's photograph of the fork lift truck which is painted white and orange?

A Yes.

Q Is that Clark fork lift vehicle in the American plant right now as far as you know?

A Yes, it is.

Q Was it in the Stafford Plant as far as you know?

A Yes.

Q Do you remember when Stafford first acquired that piece of equipment?

A No, I don't recall exactly, but I would say it was about twelve years ago, fifteen years ago.

Q On what basis did you acquire it?

A On an --

Q Did you rent it, lease it?

A As I recall, it was a rental-lease plan.

Q Do you remember --

A A rental-lease payment plan.

Q Eventually, it became Stafford's property?

A Yes.

Q Were you at the auction sale?

A No.

Q Do you have any personal knowledge as to what fork lift was at the auction sale?

A No.

Q When for the first time did you learn that the presence of the fork lift truck -- give me the year, if you can't give me the month and year. When did you first learn that the fork lift truck was the subject of any inquiry?

A Late 1975.

Q Was there anything about the presence of the Clark fork lift truck in the American plant of any concern to you?

A No.

Q Before you found out in late 1975 that it was the subject of an investigation?

A No, I never paid any attention to it.

Q You knew it was there?

A Yes.

Q Was its presence something that you thought peculiar or strange?

A No.

Q Did you at any time personally or through another assistant or agent or employee ever conceal the fork lift truck?

A No.

Q At any time before August 10th, on August 10th or after August 10th?

A No.

Q Do you have any personal knowledge of which specific pieces of machinery were purchased at the auction sale, as of now?

A No.

Q You've reviewed the sale list?

A I'm sorry, I've seen the sales list recently.

Q Let's take it as of right now.

A Yes, I'm familiar with it.

Q Do you have some knowledge and believe on that subject?

MR. LEVIN-EPSTEIN: Object as to what Mr. Moss' believe is, that's irrelevant.

MR. TAIKEFF: Only if he has some. I'm not asking for content.

THE COURT: Rephrase the question. Let me have it again.

MR. TAIKEFF: Yes, your Honor.

Q Do you now have any knowledge --

THE COURT: Of what?

Q -- of what machinery was purchased at the auction by American Identification Products or on their behalf, yes or no?

A Yes.

Q Is that based on any observations made during the sale?

A No.

Q What is that based upon?

A The sales list that is in evidence.

Q Have you reviewed that sales list?

A Yes.

Q How many times?

A Recently, several times.

Q Do you know how many Benchmaster power presses are presently in American's factory?

A I think there are seven.

Q What is that based upon?

A (No response.)

Q That answer was based upon what information?

A Well, the fact that they're there.

Q All right, you saw them there?

A Yes.

Q How many, as far as you know, were there when Stafford was operating that factory?

A Seven.

Q Do you have any personal knowledge about whether or not they were purchased at the sale, based on events, not what you saw on a piece of paper?

A I don't know --

MR. LEVIN-EPSTEIN: Objection, calls for yes or no answer.

A I don't know.

MR. TAIKEFF: He said he doesn't know.

THE COURT: You weren't there at the sales?

THE WITNESS: No, I wasn't there at the sales.

Q Specifically -- I think I may have asked you before -- specifically at any time, any time ever in your life did you or anyone with your knowledge or anyone under your instructions remove a Benchmaster power press, any drill press, any press, any Benchmaster piece of equipment from the plant from Stafford's plant?

A No.

Q From American's plant?

A No.

Q Did you ever conceal or fraudulently take any kind of piece of equipment from anybody, including Stafford?

A No.

Q Sir, Counts 8 and 10 refer to two checks. The first count refers to a thousand dollar check. The second of those counts refers to a fifteen hundred dollar check. I think I just noted for you Count 8 concerned a thousand dollar check, Count 10 concerns a fifteen hundred dollar check.

Who issued those checks?

A Surlass Ship Repair.

Q What did those checks cover?

A IT covered installation services on the LST-116 which is a ship, the services I performed after the adjudication, myself.

Q When did the work begin?

A About -- the work I performed began about

August 15th to the 18th.

Q When did the work end and when I say "end," I mean you got the okay the installation was in and approved.

A I got my initial approval on September 22, 1972.

Q Under normal circumstances, would you have then been able to get paid that day for the installation?

A Yes.

Q Did you, yes or no, get paid?

A No.

Q On what date did you get paid?

A October 9th.

Q What was the delay caused by?

A The ship approved the installation. I got a sign off, a written signature for it; but it had to be passed by the Navy inspectors who see that everything is done properly and they took their time because they wanted to check it out completely and finally, it was approved on October 9th, 1972 by the Navy who were the purchasing group, the inspectors for the purchasing group and I received my payment at that time.

Q What was that date?

A October 9, 1972.

Q Do you remember the exact date when you got the ship's approval of the job?

A Yes, I do.

Q What was that date?

A September 22.

Q I show you Defendant's Exhibit L for identification (handing to witness), and ask you whether that piece of paper has anything to do with the subject matter you just testified about?

A Yes, it does.

MR. TAIKEFF: I offer it in evidence.

MR. LEVIN-EPSTEIN: Might I see it, please.

(Document handed to Mr. Levin-Epstein.)

MR. TAIKEFF: A copy of which was previously supplied to the Government, your Honor.

MR. LEVIN-EPSTEIN: At Court order.

MR. TAIKEFF: I think that's highly inappropriate.

THE COURT: It doesn't make any difference; disregard it.

Do you object to it?

MR. LEVIN-EPSTEIN: I have no objection.

THE COURT: To be received.

THE CLERK: Defendant's Exhibit L, packing slip, marked in evidence.

(So marked.)

BY MR. TAIKEFF:

Q Very briefly, you don't have to read from it or give every word on it, just summarize what that document is?

MR. LEVIN-EPSTEIN: Objection, the document speaks for itself. Let Mr. Taikeff read it to the jury if he wants to.

MR. TAIKEFF: All right.

It's a document which is entitled "Packing Slip." Carries the name Stafford Manufacturing Company, Inc. on it. It's dated September 22, 1972 It indicates the name Surlass Ship Repair Corporation and its address and then it lists LST-1160, all labeling completed in accordance with specifications and additional requirements and it's signed by a person whose signature appears, but at least to me is not readable out loud and his title is first officer.

Q Was any of the installation working on LST-1160 done on or before August 10, 1972?

A No.

Q Was any of it done on or before August 13,1972?

A No.

Q When the work began, was Stafford Manufacturing

Company operating?

A No.

Q When you say that you did the work, what do you mean by that?

A I mean me, me. I did the work, at least most of it.

Q Are you talking about in a physical sense?

A Yes.

Q Or did you feel a responsibility?

A No, physically.

Q What actually does that mean, briefly?

A I put the plates up. I took the label plates. I had a man working with me, a man from the ship help me, but I put the label plates up. I knew where they went. I had my engineering list and I installed them. I used a Navy foam, a special kind of material on the plates and I put them up. These plates were already in the possession of Surlass. I just took them over and put them up on the ship.

Q As far as you were then concerned, whose money was that $2,500?

A Mine.

Q Did you take it and put it in your pocket and go home and spend it, yes or no?

A No.

Q What did you do with that money that you believed was yours?

MR. LEVIN-EPSTEIN: Object, absolutely irrelevant.

THE COURT: No, I'll allow it.

Q Mr. Moss?

A I paid it to the people who had worked for Stafford Manufacturing, the money for the last two weeks, to Stafford and I paid that money over to them.

MR. TAIKEFF: Your Honor, pursuant to an earlier sidebar, I would like to interrupt the direct to accommodate two brief witnesses who have arrived, who will be on for a very short period of time.

MR. LEVIN-EPSTEIN: It's okay with me.

THE COURT: While we're getting those witnesses, why don't we come up here while Mr. Engelstein is getting the witnesses.

(Mr. Moss leaves the witness stand.)

(Sidebar discussion between Court and counsel, as follows:)

THE COURT: I think, probably, it would be appropriate inview of the Government's objection for me to give a cautionary discussion to the jury on the disposition of the moneys, solely on the act of question of knowledge, fraudulent intent.

MR. TAIKEFF: I have no objection to that.

MR. LEVIN-EPSTEIN: Fine.

(The following occurred in open Court.)

THE COURT: That last answer which when I overruled the Government's objection and let him testify as to the disposition of the money that he received, the answer goes solely to the question of knowledge and fraudulent intent. I will give you full instructions on this question in my charge, but bear in mind that that was offered for and received solely for that purpose.

MR. TAIKEFF: Might counsel be heard for a moment on that particular subject?

(Sidebar discussion between Court and counsel, as follows:)

MR. TAIKEFF: I take no exception to the content of what your Honor said, except that perhaps your Honor has overlooked the fact that the position of the defendant is that that money didn't belong to Stafford anyway. It would only be if they found and believed that that money was Stafford's that your Honor's charge would be applicable. I believe it would be appropriate in view of the fact there has been evidence that it was earned by him and he --

16 THE COURT: It goes solely to the question if it doesn't belong to him -- if it belonged to him, the count has no validity.

MR. TAIKEFF: That's the point.

MR. LEVIN-EPSTEIN: Belonged to him, the question on relevancy standards.

THE COURT: It's a question of fraudulent intent.

MR. TAIKEFF: It's an absolute deference if it belonged to him.

(The following occurred in open Court.)

THE COURT: I should add if you find the money belonged to him personally as distinguished from the Stafford Company, bearing in mind the Government's contention it belongs to the Stafford Company, if you find that it belongs to him, then, of course, the counts involving those sums fall. He can do what he wants with his own money.

(Continued next page.)

DDS

your payments in August?

A She said that I would come here to find out whether Mr. Moss owed me any money or not, something like that.

Q That is what she told you?

A Yes.

MR. LEVIN-EPSTEIN: No further questions.

MR. SHERMAN: No questions.

MR. TAIKEFF: Nothing further, your Honor.

MR. LEVIN-EPSTEIN: Thank you.

(Witness excused.)

MR. TAIKEFF: May Mr. Moss resume the stand, your Honor?

THE COURT: Yes, please.

GEORGE MOSS, having been previously duly sworn, resumed the stand and testified further as follows:

DIRECT EXAMINATION

BY MR. TAIKEFF: (Cont.)

Q Mr. Moss, of course you know you are still under oath.

I think the last question had to do with what did you do with the money. What did you do with the check or checks, the two checks in counts 8 and 10?

A I cashed the checks.

Q It was the cash that you then distributed?

A Yes, sir.

Q Cash, not in the form of other checks?

A No, cash.

Q Now, I would like to focus your attention on the subject of count 9, that is a check for $1,122.43.

You know who issued that check?

A Sperry Gyroscope.

Q Mr. Moss, with respect to that check, is it your claim that the money --

MR. LEVIN-EPSTEIN: Objection. Leading.

THE COURT: Yes, sustained.

MR. TAIKEFF: Could I finish the question?

THE COURT: It is obviously a leading question. Put it in another form.

MR. TAIKEFF: It doesn't suggest what the answer is, your Honor. I know the whole question.

THE COURT: All right, you take your chances.

MR. TAIKEFF: Yes, your Honor, I am prepared to.

Q Is it your claim that the money represented by that check was your personal money, yes or no?

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Sustained.

MR. LEVIN-EPSTEIN: Clearly a leading question.

MR. TAIKEFF: Your Honor, my understanding is --

THE COURT: Sustained. Don't argue.

Q Whose money was that?

A That belonged to the Stafford Manufacturing.

Q What did you do with that check -- with the check?

A I cashed it.

Q What did you do with the money?

A I paid it to the people.

Q When you say the people, what people?

A The employees.

Q As of August 10, 1972, what was the total amount of unpaid salary or bounced checks of your employees? Approximately.

A Somewhere between seven to ten thousand dollars.

Q Of your own person knowledge did any of those people file a claim for any unpaid salary or bounced checks with the bankruptcy court or with the trustee? Yes or no?

A No.

Q Do you know why they did not?

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Sustained.

MR. TAIKEFF: I asked him if he knows why, your Honor.

MR. LEVIN-EPSTEIN: Objection. Clearly an improper question.

THE COURT: Well, if he can answer it yes or no, I will allow it, but that is it.

Q Do you know why? Yes or no?

A Yes.

Q As of right now, did any of those people collect any money from the Trustee?

A No.

Q Did any of those people collect any of that money from the bankruptcy court?

A No.

Q Did any of those people collect their money?

A Yes.

Q How much of their money?

A All of it.

Q Where did they get it from?

A Me.

Q The Government has in the course of its case shown that in addition to the $1,122.43 there were two other checks. My memory is not precise. But they were in the rang of $200-250 apiece. Where did those checks come from?

A Sperry Gyroscope.

Q Whose money was that?

A Stafford Manufacturing.

Q What did you do with those two checks?

A I cashed them.

Q Whose labors earned that money?

A The last two weeks of the people who worked at Stafford prior to the adjudication.

MR. LEVIN-EPSTEIN: I'm going to object to that. It is a conclusion of this witness. It is not within his competence to say who earned that money.

MR. TAIKEFF: I didn't say owned it.

MR. LEVIN-EPSTEIN: Earned it, I said.

THE COURT: Bear in mind what I said a moment ago about knowledge and fraudulant intent. This proof as to what he used this money for and goes solely to that question. It is a technical matter and not -- as a legal matter - this money belonged to the Stafford Manufacturing Corporation, this two hundred and the $250 check, and the $1,122.43 Sperry check belonged to Stafford and should have been paid to the Trustee in bankruptcy. On the question of fraudulant intent and knowledge this testimony is being received and for that alone.

MR. LEVIN-EPSTEIN: Thank you, your Honor.

THE COURT: Go ahead.

Q How many people worked for you during the last ten work days of Stafford, that is, in the factory?

A I would say about thirty, thirty, two, thirty-one, something like that.

Q On the average, how long had each of these people worked for you?

A Well, some had worked a good many years. One had worked as much as --

MR. LEVIN-EPSTEIN: Objection. It calls for a simple answer and not a speech.

A (cont.) It was from two years to thirty-five years. I don't know how to average it.

Q Well, what was the total amount of checks that you cashed that belonged to Stafford, that you cashed and gave to the employees? Give me a round number if you don't have it in an exact number.

A About $1,500.

Q What checks are you referring to?

A Sperry Gyroscope checks.

Q The three checks?

A Yes, three checks.

Q Maybe sixteen, maybe seventeen hundred?

A Well, let's say -- Well, the $1,122 check and -- Let me see -- thirteen -- I think it is somewhat less than $1,600.

MR. TAIKEFF: That is about the fifth time during the course of this trial that Mr. Levin-Epstein has shown his displeasure by exhaling loudly enough for me to hear him clearly. Now, if he doesn't like the --

MR. LEVIN-EPSTEIN: Objection, your Honor. The argument speaks for itself --

THE COURT: Both of you -- You sit down, Mr. Levin-Epstein. And you stop making speechs, Mr. Taikeff.

Proceed.

MR. LEVIN-EPSTEIN: I will rise to an objection to the question.

THE COURT: Sit down. There is no question pending.

MR. LEVIN-EPSTEIN: Well, they are doing the arithmetic. I will object to it. The document speaks for itself.

THE COURT: He's entitled to go into it.

THE WITNESS: If I can answer that --

Q Let me ask you a question so there is no confusion about it.

THE COURT: It is already answered. You don't have to go over it again.

Q You say about fifteen to sixteen hundred?

A Yes, in that area. Not more than sixteen. I think it was between fifteen and sixteen hundred.

Q And what was the total amount of money that you gave to the employees in cash?

A About ten thousand.

Q And by what date did you finish paying all of that off? Just give us a date.

A I think in early 1973. But the majority of them were paid by October of 1972, the large amount, the bulk of it, I would say.

Q As far as you know, is there any former employee of Stafford who worked up to and including August 10, 1972 who has not been paid every penny in wages that was oweing? Yes or no? Is there any such employee who has not been paid every penny?

A Not to my knowledge.

Q Count eleven charges you with -- and I am abbreviating obviously, with knowingly and intentionally and fraudulantly witholding a document, namely, a 1972-73 New York registration of the 1967 GMC truck.

Did you ever have that registration in your possession?

A No.

Q Do you know who had it, if anyone?

16 Moss - direct

A From the testimony Seifer said he had it --

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Sustained.

Q Other than what you heard in this courtroom?

A No, I didn't know who had it.

Q Did you do anything to withold it from Goldhaber?

A No.

Q Did you ask anyone to withold it from Goldhaber?

A No.

Q Did you ask anyone to conceal it?

A No.

Q To hide it?

A No.

Q To say it didn't exist --

A No.

Q -- if asked?

A No.

Q Count twelve charges you similarly with respect to the 1972-73 registration of the '69 Chevrolet station wagon with a certain identification number.

Is that the vehicle that you rented from Moss Associates? Yes or no?

A No.

Q Did you have it in your possession as far as you know, except possibly to sign the renewal form, the registration for that vehicle or the truck?

A No.

Q Did you ever do anything or ask anyone or cause anyone to withold it from Mr. Goldhaber, fraudulantly or otherwise?

A No.

Q As far as you know, and to the extent you may have in any way cause somebody to do something, did the American Identification Products, Inc., the corporation, the entity, ever receive property that had once belonged to Stafford Manufacturing Company, Inc., which, as far as you know, was not purchased at the auction in September of 1972?

A No.

Q When after the auction did you return to the premises of the factory?

A About a week, I would say.

Q At that time what activity took place when you returned?

A On my part or on the part of others?

(continued next page)

Q What was going on in the factory?

A Well, they were cleaning up.

Q Okay. The stuff that was cleaned up, what was it?

A A lot of rubbish, broken unused parts, pieces -- unidentifiable pieces. Material that couldn't be attached to anything. General residue there left over after a plant is sold out in the sense of things having been moved out and the remainder that is left. Garbage you might call it to some degree -- it was not food garbage -- but it was material garbage.

Q Did the Department of Sanitation pick that stuff up?

A No.

Q Is it still there?

A No.

Q How did it get removed?

A It was removed by using these large Dumpsters --

MR. LEVIN-EPSTEIN: I rise to question the relevancy of this.

THE COURT: Overruled.

Q Did you pay for that service?

A Oh, yes.

Q What was the total cost?

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A Somewhere in the neighborhood of $700.

Q The last count of the indictment charges you with being in a conspiracy with Arnold Rubin. And it says others unknown did knowingly and wilfully commit offenses in violation of the bankruptcy law, or to put it in other words, conspiring to defeat the bankruptcy law.

As far as you understand the accusation conspiracy, did you conspire with anyone to do anything?

A I did not.

Q Now, you heard some testimony, did you not, concerning a Galgan Realty sign?

A Yes, I did.

Q Briefly, what is the Galgan Realty Company?

A It's a real estate corporation.

Q Is it a real estate broker or is it --

A No, it is just a corporation that owns buildings.

Q And does it have -- or I should go back to the past -- in August of 1972 did it have a place of business?

A Yes.

Q A location?

A Yes, an address.

Q What was this address?

A 145 58th Street.

Q What was the address of Stafford?

A 145 58th Street.

Q Were these two different premises?

A No.

Q Explain briefly to the Court and jury what was the relationship between the Stafford plant and the Galgan location?

A It was the same place. As a matter of fact under the Stafford sign there was a Galgan sign. Stafford had the entire premises in 145 58th Street. And on one of the doors it said Stafford Manufacturing, and underneath it it said Galgan Realty.

Q Was there any separate portion of that approximately 15,000 square feet that was set aside separately for Galgan Realty that was specifically Galgan?

A No, except one drawer of one file cabinet.

Q Was there any room, closet area behind a door, whether really set aside for Galgan or not, on which there was a sign that said Galgan?

A There was no area set aside for Galgan.

Q How many Galgan signs were there altogether at 145 58th Street?

A One small Galgan sign under the large Stafford

Manufacturing sign.

Q I show you Defendant's Exhibit Y for identification -- or I will as soon as I finish showing it to Mr. Levin-Epstein (handing).

MR. LEVIN-EPSTEIN: Yes.

Q (Continuing) And I ask you if you recognize what is depicted in that photograph.

A Yes, that is --

MR. LEVIN-EPSTEIN: I have no objection to it being offered in evidence.

MR. TAIKEFF: I offer it in evidence.

THE CLERK: Defendant's Exhibit Y, photograph, marked in evidence.

(Article referred to being a photograph, having previously been marked Defendant's Exhibit Y for identification is now received and marked Defendant's Exhibit Y in evidence.)

Q And giving you what is now marked Y in evidence. With a red crayon I ask you whether you can mark -- or first tell us what is in the photograph. I don't think you finished saying that.

A It's a picture of a building identified as American Identification Products, Inc.

Q And what building is that?

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Moss-direct

A That is the building formerly occupied by Stafford Manufacturing.

Q And what's the address of that building?

A 145 58th Street.

Q Where was that sign that had the name Galgan on it?

A On the left side of the photograph.

Q Would you put an arrow in a verticle position with the point of the arrow pointing down, pointing to the door where the Galgan sign was.

MR. TAIKEFF: May I just briefly show that to the jury before I ask the question?

THE COURT: Yes.

(Article handed to jury.)

MR. TAIKEFF: Well, while they are looking at that photograph may I inquire about the other photographs -- oh, here they are.

THE COURT: While the jury is looking do you mind going ahead and asking questions?

MR. TAIKEFF: Not at all, your Honor.

Q Now, you put the arrow over a door on tre left-hand side of the picture, is that correct?

A Yes.

Q What is that door?

A That's a door.

Q Entranceway to what?

A An entranceway to the offices of Stafford -- which was Stafford.

Q Was there ever any door anywhere in that building, inside or out, temporarily or otherwise, that had a sign Galgan Realty on it other than that front door which led into the office?

A No.

MR. TAIKEFF: No further questions.

MR. LEVIN-EPSTEIN: Your Honor, may I suggest that this might be an appropriate time for the luncheon recess?

THE COURT: Yes, I believe so. We will take a few minutes now while the jury gets finished looking at the photograph and then we will take a luncheon recess.

All right, ladies and gentlemen, do not discuss the case. Come back at 2:10.

(Thereupon at 12:55 o'clock P.M. a recess was taken to 2:10 o'clock P.M.)

T 1 pm
R 1
SS/bw

MR. TAIKEFF: May it please the Court, during the luncheon recess, I asked Mrs. Wallach if she would look at the ledger books which are in those boxes on the floor to your Honor's left to see if there is any indication in the ledger books which had been in the Government's possession for a relatively long period of time. I don't know how long. I'm sure Mr. Levin-Epstein can advise your Honor. Indeed, on a page in this book which I'm holding which apparently doesn't have a name -- the accounts payable book.

MR. LEVIN-EPSTEIN: Stafford Manufacturing?

MR. TAIKEFF: Stafford Manufacturing. There is an account sheet for Morse Associates. There are notations there and one of them makes reference to a new car and on the second leaf, on the back page, the four checks which are Defendant's Exhibit FF, are indicated; namely checks 6741 through 44. I call that to your Honor's attention so your Honor will be aware of the fact the Government was not totally unaware of the fact that there were these disbursements and at the same time I call that to your Honor's attention so your Honor will not think that, perhaps, they represented a purchase of eyeglasses or something else, but --

THE COURT: Let me see the entry.

MR. TAIKEFF: Your Honor would have to look on

both sides of the ledger page to see all that I previousl
2 mentioned.

(Handed to the Court)

The Government's suggestion to me in private conversation, your Honor, they may have had those records or at least that ledger book your Honor has for a period of at least a year.

MR. LEVIN-EPSTEIN: Of course we didn't know anything about the checks until an hour and a half ago.

MR. TAIKEFF: That is true, I explained that to the Court on the record.

THE COURT: Maybe I'm missing something, but I don't see any reference to an automobile.

MR. TAIKEFF: It says, "New car." I'm quoting when I say that.

MR. LEVIN-EPSTEIN: New car to me means new car, not a rental car, even if it were relevant.

MR. TAIKEFF: Your Honor, I'm not saying that page alone tells the entire story --

THE COURT: That doesn't relate to any of these checks.

MR. TAIKEFF: If your Honor will turn the page over --

THE COURT: Is 210 one of the checks --

MR. TAIKEFF: Approximately halfway between the top and bottom margin on the left-hand column --

3 THE COURT: There is no reference to new car there.

MR. TAIKEFF: That is correct, your Honor.

THE COURT: How do you get the tie in?

MR. LEVIN-EPSTEIN: Your Honor is now confronted exactly with the problem the auditors and account have had with Stafford and American Identification. To quote the accountant, nothing could be discerned of value.

MR. TAIKEFF: I'm sure Mr. Kay would not say that ledger book is in deplorable condition --

MR. LEVIN-EPSTEIN: I said the certified accountants for the trustee said it.

MR. TAIKEFF: I'm showing it to your Honor as corroboration of the authenticity.

THE COURT: I think the Court of Appeals, when they come to read this portion of the record will understand the Court's ruling. You should mark for identification these two pages so the Court will see --

MR. LEVIN-EPSTEIN: Your Honor is shaking your head. What seems to be the problem, Judge?

THE COURT: I don't know, it says Morse Associates at the top of the page, but there is one entry, three quarters of the way down that says R-E-T.

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210. It's not clear whether it's the number 210 or $210. - 225. Again it's not clear, it's a dollar sign but it's not clear. Apparently new cars which you say that reads, but even that is not too legible. That is the only reference in the three pages to a car. I still wouldn't regard that as probative evidence given all the facts and circumstances here.

MR. LEVIN-EPSTEIN: Do you want that marked, Judge?

THE COURT: Yes. I don't want any question about it. The Court of Appeals can look at it. If they think that should have been warned, the introduction of those checks under the circumstances here, they can so state. I don't.

MR. LEVIN-EPSTEIN: The Government is ready to proceed, your Honor. I'll ask all the witnesses be excluded from the courtroom, all potential witnesses -- I see one of the witnesses leaving so I'll withdraw the request.

THE COURT: All right, Mr. Moss, you may resume the stand.

THE CLERK: Defendant's Exhibits FF-1, FF-2, FF-3, marked for identification.

(So marked)

(Continued next page)

GEORGE MOSS, called as a witness having been previously sworn by the Clerk of the Court, further testifies as follows:

(George Moss resumes the stand)

THE COURT: Bring in the jury.

(Jury enters the courtroom)

MR. LEVIN-EPSTEIN: Might I proceed, your Honor?

THE COURT: Please.

MR. LEVIN-EPSTEIN: Good morning, ladies and gentlemen.

CROSS-EXAMINATION

BY MR. LEVIN-EPSTEIN:

Q Good afternoon, Mr. Moss.

A Good afternoon, sir.

Q Mr. Moss, you testified that you were admitted to the Bar as an attorney; is that correct?

A Yes.

Q What year were you admitted?

A 1939.

Q What department of this state?

A Brooklyn.

Q Second Department?

A Yes.

Q You have been admitted to the Bar continuously since 1939, sir?

A Yes.

Q Although you have said you never practiced law; is that correct?

A That's right, sir.

Q Are you sure of that?

A Yes.

Q There is no doubt in your mind?

A I never practiced law.

Q For the record, of course, you were here and present throughout the entire Government case, were you not?

A Yes, I was.

Q You heard all the testimony, have you not?

A Yes, I have.

Q And you have seen all the exhibits that were marked into evidence?

A Yes, I have.

Q And you were present during the cross-examination and direct examination of all the witnesses so far?

A Yes, I was.

Q I believe on your direct examination certain references were made to the testimony that was elicited from other witnesses during the course of the trial which you characterized as having been heard in various ways; is that correct?

A Yes.

Q I show you Government's Exhibit 16 in evidence, a portion of the registration under the name of Stafford Manufacturing Company for that truck. Do you contest in any way that authenticity?

A No.

Q Is there any doubt in your mind the truck identified by vehicle identification number C 6946F, was a 1967 GMC van owned at one time by the Stafford Manufacturing Company?

A No.

Q You don't dispute that in any way, do you?

A No.

Q Moreover you don't dispute, do you, that the 1969 Chevrolet station wagon bearing vehicle identification number in the indictment was also owned, operated, insured by the Stafford Manufacturing Company?

A I don't dispute that.

Q No question of that, is there?

A No.

Q Moreover, there is no question at all, is there, sir, that on August 10th of 1970, Stafford Manufacturing was under your control as president, isn't that correct?

A Until it was adjudicated that day.

Q I direct your attention to August 10th of 1970, sir.

A I'm sorry, yes, under my control.

Q You were the president, right?

A Yes.

Q Chief executive officer?

A Yes.

Q In charge of all operations of the business?

A Financial and sales.

THE COURT: Wait. I don't want to interrupt you, Mr. Levin-Epstein, but I require you to stay behind the table, except for getting exhibits, I think you should do so, too.

MR. LEVIN-EPSTEIN: Very well.

Q With overall responsibiltiy for the sum total operations of Stafford Manufacturing?

A I accept full responsibility.

Q There is no doubt about that, is there, sir?

A I accept responsibility.

Q There is no question in your mind?

A No.

Q You signed your name on behalf of the corporation as president?

A Yes, I did.

Q Your acts were the acts of the corporation?

A (No response).

Q The acts of the corporation were also your acts, were they not?

MR. TAIKEFF: Objection, your Honor.

THE COURT: Overruled.

Q Isn't that a fact?

A I was head of a corporation and I was president and I was chief operating officer.

Q There is no doubt in your mind that Stafford Manufacturing, prior to August 10th, 1972, was the owner of the fork lift truck in the picture, Government's Exhibit 7; correct?

A No question they owned the fork lift truck.

Q That one, right?

A No question, sir.

Q No question that the current owner of that fork life truck is American Identification Products?

A That's right.

Q No doubt in your mind about that?

A There is no doubt in my mind it's now American Identification Product owned by the company.

Q No doubt in your mind, is there, sir, that in Government's Exhibit 11, Mr. Goldhaber's check book, as trustee for the estate of the bankrupt, Stafford, there appears nowhere any of the checks mentioned in the indictment; is that correct, sir?

A That's correct.

Q No doubt in your mind about that?

A No doubt.

Q If you recall, there is no doubt in your mind, is there, that you were fully and well aware of the fact that you had an obligation to turn over whatever checks you had received as accounts receivable of Stafford Manufacturing to the trustee; is that correct?

A Not quite correct, sir.

Q That is not correct?

A (No response).

Q Were you acting under a mistake or fact of some sort when you turned Government's Exhibit 12 over to the trustee, Mr. Moss?

A No.

Q Were you acting under some mistake of fact or error of understanding when you turned Government's Exhibit 13 over to the trustee, Mr. Moss?

A No.

Q Was that an inadvertency, sir?

A I turned those over.

Q Was that an inadvertency, sir?

A No.

Q There was no doubt in your mind you had to do that, did you?

A I turned those two over, right.

Q No doubt in your mind you had to do that, isn't there, sir?

A No doubt I had to turn these over.

(Continued next page)

CROSS-EXAMINATION

BY MR. LEVIN-EPSTEIN: (Continued.)

Q There's no doubt in your mind, sir, is there, that as far as the Sprry checks that you've just described in your direct testimony, and as described in the indictment, you also had an obligation to turn over to the trustee, right?

A Yes, I did.

Q You had an obligation to turn those over, right?

A Yes, I did.

Q There's no doubt in your mind knowing you had that obligation you didn't turn them over, right?

A I didn't turn them over, no.

Q Knowing you had the obligation, sir?

A Yes, that's right.

Q Would it be fair to say you did that knowingly?

A I knowingly used the checks for the people whom I owed the money.

Q Would it be fair to say you did that knowingly, sir?

A Yes, knowingly.

Q Would it be fair to say you did that intentionally, sir?

A I intended to pay the people I did, sir. I

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Moss-cross

didn't think it was wrong.

Q Would it be fair to say you did that intentionally?

A I intended to pay the people, yes.

Q Pardon me, will you read back my last question?

A I intended to pay the people.

(Read back.)

Q I'm sorry, I didn't hear the question.

A I did it intentionally to pay the people.

Q If you answer my questions yes or no, answer them.

A I'll try.

Q If you have any difficulty in answering my questions yes or no, please inform me and I'll try to rephrase the question so you have no difficulty in answering in that manner.

A Yes.

Q You understand what I'm saying?

A Yes.

Q Have you ever been in a courtroom before?

A Yes, I have.

Q You know what goes on with cross and direct examination?

A I do.

Q Any doubt in your mind about the procedure to be followed?

A No.

Q You saw the testimony of Mr. Garten, for example?

A Yes.

Q He too is an attorney, is he not?

A Yes.

Q You know as does Mr. Garten that when I ask you questions you give an answer to the question I ask.

A I'll try to respond directly, sir.

Q There's no doubt in your mind, is there, sir, as to the authenticity of Government Exhibit 22 in evidence (Handing.) the registration for the truck in the name of American Identification Products after the bankruptcy?

A No doubt, sir.

Q No question of that in this case?

A I beg your pardon?

Q I say ther isn't any question in your mind as to that in this case?

A No.

Q Directing your a-tention to these four checks, Government Exhibits 23, 24, 25 and 26, is there any doubt in your mind that they are signed by your wife, Lenore Moss, under Galgan Realty?

A No doubt.

Q For the record, let me finish the question. No doubts those checks are authentic signatures?

A That's right.

Q Is there any doubt in your mind as to the authenticity of these checks?

A No doubt.

Q In fact, sir, is there any doubt in your mind as to the authenticity of any one of these 79 odd exhibits?

A No, I think they're all authentic for what they stand for, I don't remember each one, you know.

Q Do you contest or quarrel with me when I tell you each one is an authentic --

A I believe so.

Q No question in your mind about that?

A I don't question it.

MR. TAKEFF: Will your Honor tell the jury what authentic means?

MR. LEVIN-EPSTEIN: Really. I'll change the phrase.

Q That they are what they purport to be, sir?

A Yes, I'll agree.

MR. LEVIN-EPSTEIN: Does that satisfy counsel?

MR. TAIKEFF: Yes it does, thank you, your Honor.

Q Briefly, Mr. Moss, let us explore, once again, the history of Stafford Manufacturing Company.

I believe you testified on direct examination that Stafford or it's precursor actually originated many, many years ago, is that correct?

A Yes.

Q This was the business of your deceased father?

A That's right.

Q And your father, or his predecessor, developed this business from sometime in the mid-1960's, essentially, is that correct?

A Yes, shortly after the Civil War.

Q Around the 1860's?

A Yes.

Q The business prospered and grew, is that correct?

A There is times it prospered and grew.

Q Would it be fair to say that this business, having prospered and grown under the tutelage, supervision of your ancestors was something close, in a sentimental value to you, George Moss?

A Yes.

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Q Would it be fair to say then, out of respect and dignity for the memory of your father, you had a special feeling for this organization called Stafford Manufacturing?

A Yes.

Q Would it be fair to say that because of this respect and dignity for which you felt for the business and your deceased father, that you put a special effort into making the business exactly what he would have wanted it to be, is that a fair statement?

A I tried very hard to make the business successful.

Q The answer to my question is yes?

A I don't know what he wanted it to be. I tried very hard to do right.

Q By right you mean carrying on of the business?

A Yes, carrying on the business, meeting my obligations as I could and trying to build a strong basis.

Q Making a profit, of course, on the side?

A Well, it would be helpful. Business without a profit don't succeed very long.

Q Of course, it would be fair to say, would it not, Mr. Moss, that ultimately your motive in carrying on this business is one, of making a living?

A Making a living, yes.

Q A profit?

A Yes, that's so.

Q Money, right?

A Making some money, yes.

Q Some money?

A Not to the exclusion of everything else. There is such a thing as dignity, reputation.

Q I don't recall asking you about either, Mr. Moss. Please confine your answer to my questions.

A I'm sorry.

Q Mr. Moss, when Stafford went bankrupt in August of 1972, it's true, isn't it, that that was the first time in your life that you had ever had any contact whatsoever with the bankruptcy, isn't it?

A What do you mean by contact with the bankruptcy? Do you want to --

Q Have you ever been through a bankruptcy before?

A No, I had not been.

Q Have you ever had any contact with a business that had been in bankruptcy before?

A Yes, some years ago.

Q What year was that, Mr. Moss?

A Totally separate business.

Q What year was that, Mr. Moss?

A I think about 1946.

Q Wasn't it in fact 1949, Mr. Moss?

A No, I'm referring to 1946.

Q What business was that --

A It was --

Q What business was that, Mr. Moss?

A I had been asked to invest some money in a perfume business, men's toiletry business. It was run by a man that went out of business in 1946.

Q When did the bankruptcy occur, sir?

A I don't recall the date. It could have been somewhat later than that but in that period of time.

Q Isn't it a fact, sir, an involuntary petition in bankruptcy was filed against that corporation on December 19th, of 1949?

A I thought it was about 1946. It could have been 1949.

Q Isn't it a fact, sir, the name of that corporation was Man of Manhattan, Inc.?

A Yes, it was.

Q Isn't it a fact, sir, that the address of Man of Manhattan, Inc., was none other than 113 53rd Street, Brooklyn, New York?

A At that time it was 113 53rd Street, yes.

Q What was your relationship to that bankruptcy, Mr. MOss?

A I was associated with that company.

Q An associate?

A Associated with it. I was a member of it, yes.

Q What does that mean, sir, would you care to explain to the jury?

A I was an officer in that corporation.

Q You were an officer?

A Yes.

Q When that company went bankrupt, sir, did you serve as an officer of the bankrupt corporation then, sir?

A I don't recall to be honest. I just don't recall. If you have the records I'll be glad to, if you can refresh my recollection.

Q Is it your testimony you don't recall serving as an officer, yes or no?

A I believe I was an officer but I don't recall the complete circumstances. I'd be glad to agree --

Q Mr. Moss, is it your testimony that you don't recall whether or not you were an officer of the corporation, yes or no?

A I don't recall. At the time I was an officer but I don't recall when. I'm not trying to hedge with you.

I'll agree --

MR. LEVIN-EPSTEIN: Might I ask for an instruction of the court if a witness can answer yes or no, he should?

THE COURT: He says he can't.

MR. LEVIN-EPSTEIN: Very well.

Q The answer to my question is, you don't remember

A I don't remember now, sir, but I may well have been.

Q Do you have any recollection whatsoever as to that bankruptcy ever being involved with a procedure in the bankruptcy court, sir?

A Beg pardon?

MR. LEVIN-EPSTEIN: Read back my last question, please.

(Read back.)

A Yes, I recall.

Q Isn't it a fact, sir, that your involvement as an officer in that bankruptcy, you became aware of certain duties, obligations, rules that apply to a bankrupt or the officer of a bankrupt corporation, sir, isn't that a fact, yes or no?

A Yes.

Q Isn't it a fact, sir, that one of the duties of which you became aware in 1949 was that when a corporation of which you are an officer goes bankrupt, you sir, have the obligation of informing the trustee of all the assets of that corporation, isn't that a fact, sir, yes or no?

A Yes.

Q So you knew, isn't it a fact, that not in 1972 but as far back as 1949 that the officer of a bankrupt corporation had that obligation?

A I know that, sir.

Q Isn't it a fact?

A Yes.

Q So you ran the Stafford Manufacturing Company from 1951, I believe you testified, up to and including August 10th of 1972, is that correct?

A That's right.

Q A period of some twenty odd years or more?

A Yes.

Q A period during which you were the president and chief executive officer?

A Correct.

Q A period during which the business, run and created by your father and his partner, was perpetuated, is that a fact?

A Yes.

Q A period during which you, in the name of your father, at least in one sense carried on business?

A I would say that.

Q And people worked for you for quite a lengthy period of time, individually and collectively, is that correct?

A Yes, they did.

Q Some for as long as 16 years?

A Some longer, sir.

Q Some longer.

Loyal employees?

A I consider them loyal, yes.

(Continued on next page.)

Q Employees to whom you felt a special loyalty?

A I felt that for all employees who worked for the company.

Q All the employees?

A I felt a loyalty for the employees who worked for the company. They were entitled to be paid and I tried to pay them all.

Q All of them, Mr. Moss?

A During the period that I was able to pay them, in 1970 to '72.

Q You paid them all, Mr. Moss; are you sure?

A We are talking what period, sir? Maybe you can clarify that for me so I can proceed accordingly.

Q Did you pay Mr. Seifer, Mr. Moss?

A For what period, sir?

Q For any period?

A No, I couldn't pay him for the entire period.

Q The answer to my question is no, right?

A That's right, not for the entire period.

Q But you paid everybody else off, didn't you though?

A I didn't pay everybody else off. I still owed some -- I owed employees, employees were owed from pre-chapter 11 period. I did not pay them.

Q Like Mr. Seifer?

A Yes, including Mr. Seifer.

Q Mr. Seifer is the one who couldn't come back to work, right?

A (no response)

Q Didn't you testify that you told Mr. Seifer that"there just wasn't room for you"?

A I didn't mean to use the word "room". I wanted to explain that that I told him that it was too much of a hassle for him to come back to work. Too many arguments between him and my brother.

Q Was it too much of a hassle, Mr. Moss to pay at least other employees off in cash?

A I paid Mr. Seifer off in cash.

Q Yes or no?

A It was a hassle, yes, a definite hassle to pay Mr. Seifer as well as --

MR. LEVIN-EPSTEIN: Would you instruct this witness, your Honor?

THE WITNESS: I'm sorry, sir.

MR. LEVIN-EPSTEIN: I ask the entire remaining remark beyond the "yes" be stricken.

THE WITNESS: I would like to know what the question was, sir.

THE COURT: Listen to the question. I'll leave it stand as it is now. Listen to the question. Answer the question. Don'g volunteer information.

Q Did you say on direct examination, sir, that you told Mr. Seifer that because he had filed a claim with the Bankcruptcy Court, I think your phrase was "It's out of my hands. It's in the hands of the Bankcruptcy Court". Isn't that what you said?

A Yes.

Q "I've got no more control, Mr. Seifer over it. You'll have to take your problems to the Bankcruptcy Court, because the Bankcruptcy Court controls the business now." Isnt that right?

A Controls what I point out --

Q Is that what you said, yes or no?

MR. TAIKEFF: May the witness be permitted to answer.

THE COURT: Try to answer the question. Did you say that or didn't you?

THE WITNESS: I don't recall saying the Bankcruptcy Court controlled all the business. I meant to say they controlled the obligations, which are the claims, the pre-Chapter 11 claims, sir.

Q When you said that Mr. Moss, isn't it a fact that you true and well knew that they also controlled the claims of all these cash payments that you made?

MR. TAIKEFF: Objection, that's an impossi question because it covers two separate time periods.

THE COURT: No, overruled.

Q Isn't that a fact, sir?

A When did I say that? Will you fix a time now?

Q About an hour and a half ago?

A No, I'm not talking about an hour and a half ago. When did I fix it -- by year.

Q Can you answer my question?

A I want you to fix the time. I'll be happy to.

Q You cannot answer my question as asked?

A I dont understand --

Q Is that it, sir?

A I don't understand the time element.

THE COURT: Repeat the question, Mr. Levin-Epste

Q Isn't it a fact sir, when you told Mr. Seifer that you could not control what happened with his payments that you also at that moment, that milli-second in time also true and well knew that the Bankcruptcy Court about which you were talking also had control over these admittedly improper payments in cash to your employees, yes or no?

MR. TAIKEFF: Objection, it assumes a fact not in evidence, your Honor.

THE COURT: Overruled.

Q Isn't it that a fact, sir?

A Do you want me to answer that yes or no?

Q Yes, sir, if you can?

A I can't answer it yes or no.

Q Thank you.

Isn't it a fact, sir, that beginning in 1949, but primarily in 1970, August of 1970, you knew that you had an obligation, a duty under law to report any major activity of Stafford Manufacturing to the Bankcruptcy Court; isn't that a fact, sir?

A I don't know what you mean by "major activity". As a matter of fact, as a debtor in possession it's allowed to run the business and handle just as though it were in business without being in Chapter 11.

Q Is it your understanding and was it your understanding, sir, that you could do whatever you wanted in the business even though you were a debtor in possession; is that what you are saying?

A I didn't say that.

Q Is that what you are saying?

A No.

Q What are you saying, sir?

A I'm saying a debtor in possession, as I understood it was permitted to run the business in order to make it an effective business.

Q Did you have to make any reports to the Bankcruptcy Court, sir, a debtor in possession?

A Yes, there were reports.

Q And you made reports, didn't you?

A Yes, we did.

Q Would you tell us, sir, on what date within whatever estimate you wish to make, you reported to the Bankcruptcy Court that you had paid anybody in cash for their salaries, what date did you report that to the Bankcruptcy Court, Mr. Moss?

A I didn't think it was necessary --

MR. TAIKEFF: Objection, your Honor.

THE COURT: Overruled.

MR. TAIKEFF: Might I come to sidebar to explain the basis of these objections?

THE COURT: I understand the basis of the objections. It's overruled. It's a proper question.

A Since I paid the people I didn't think it was necessary to report it.

Q The answer to my question is you never reported it, right?

A I didn't report the payment I made, no.

MR. TAIKEFF: I must object. He wasn't in

Chapter 11 at that time.

THE COURT: Overruled.

Q The payments were made, sir, were they not for work done while you were in Chapter 11, correct?

A The last two weeks, yes.

Q The payment was made, sir, with money that belonged to Stafford Manufacturing Company while it was in Chapter 11, isn't that correct, sir?

A Obligations during the last two weeks and the money was received for the work performed the last two weeks.

Q Not one word, sir, was said to Mr. Goldhaber or Judge Price about this payment; isn't that right, not one word?

A The fact --

Q Isn't that a fact, yes or no?

A But they knew --

Q It is not a fact?

MR. LEVIN-EPSTEIN: Your Honor, please.

THE COURT: Strike out that part.

Did you or did you not --

THE WITNESS: I did not tell them, sir. I did not think it was necessary to tell them.

THE COURT: Strike that out.

MR. LEVIN-EPSTEIN: Might I have a moment, your Honor?

(pause)

Q Directing your attention, sir, to August 10 of 1970, there's no doubt about it that yours is the signature on all these applications and petitions to be placed Chapter 11; is that correct?

A Yes.

Q There's no doubt about it, sir, that you swore under penalties of perjury that the assets of Stafford Manufacturing were far outreached by the debits or amount owed by Stafford Manufacturing?

A Yes.

Q So as early as August 10 of 1970, sir, you knew that Stafford, at least in one sense, it was in serious financial trouble; isn't that a fact?

A Yes.

Q That's what you testified to on direct?

A Yes, they were in serious trouble.

Q You knew two years before the bankruptcy, sir that there was a real practical possibility that Stafford would go under; didn't you know that, sir?

A (No response)

Q Yes or no?

A No, I didn't know that. I didn't regard it as practical --

Q Pardon me, Mr. Moss.

During the period of time of Chapter 11, throughout that entire two years there didn't once come a time when you thought to yourself subjectively,"Stafford is in big trouble, we might go under", right until August 8 of 1972, almost two years less two days?

Then suddenly dawned on you Mr. Moss, "OH, we are in trouble"; is that a fact?

A No.

Q What is correct?

A I felt we could pull it through, wouldn't go out of business. I felt that way for the two years. The day I went to the referee I felt we could pull it through.

Q The first inkling --

MR. TAIKEFF: May the witness be permitted.

MR. LEVIN-EPSTEIN: I thought he had.

THE COURT: Let him finish his answer.

A That very day that I went to Court, August 8, I felt that the referee would give me an opportunity to pull the business through because I was trying very hard to collect the monies from Bethlehem and From I.R.I. Associates who had led me down the primrose path.

Q Led you down the primrose path?

A Yes.

Q Isn't it a fact sir, the reason you thought that Judge price might give you a break and let you continue as debtor in possession on August 8 of 1972 because on no fewer than thirty previous appearances before that judge had given you exactly that chance?

A Certainly, I was not dependent upon myself and others, no matter how hard I tried.

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Q So on at least thirty appearances you appeared before Judge Price while Chapter XI and then you were told then you're not fulfilling your obligations of Chapter XI, running the risk of being thrown into bankruptcy, isn't that a fact, yes or no?

A No.

Q You were told that?

A I was told on several occasions I made every effort, did bring it up to date on a number of occasions my responsibilities. I went to Bethlehem, IRI, I borrowed money, including the Maryland National Bank to keep the business alive and going successfully, try to keep out of Chapter XI. I would not admit I couldn't make it, I couldn't let myself admit that subjectively or otherwise.

Q The answer to my question is no, sir?

A I forgot the question.

Q I'm not surprised.

So is it your testimony now, Mr. Moss, that through two years of wrangling with the Bankruptcy Judge on many numerous appearances where these by your own statement were told to you, you were running the risk of bankruptcy it never once dawned on you, sir, that Stafford might be going under, yes or no?

A (No response.)

Q It never once dawned on you, sir?

A (No response.)

Q Yes or no, Mr. Moss?

A I can't use the word wrangle. I wasn't wrangling.

Q Delete the word wrangle. Can you answer the question?

A Let me have it repeated, please?

THE COURT: Read it back, Mr. Silverman.

(Question read by Reporter.)

A I can't answer that question because the question, it does not state the facts, sir.

I say --

Q Did you say sir on your direct examination that during the period you were Chapter XI, you hypothecated certain contracts?

A Yes.

Q Did you also swear under oath before the Bankruptcy Court on August 10th of 1970, sir, that you would not hypothecate contracts without first obtaining the approval of the Court, did you also swear to that, sir?

A Yes, I did.

Q Was that a violation of your oath, sir?

A No, I hypothecated with the permission of the

Court. Maybe I don't follow you, sir.

I borrowed on contracts with the permission of the Court. The Court let me proceed to conduct certain amount of borrowing, both with factors and banks.

Q Would it be fair to say, Mr. Moss, that the single most driving force in your business enterprise in contact with Stafford was to use your own expression and words "to keep it alive"?

Would that be fair to say?

A Yes, I would say so, yes, keep it viable, as a viable organization, producing products.

Q The answer to my question is yes?

A Yes, I would say so, yes.

Q You testified on direct examination about Government's Exhibit 53 in evidence which is the August 31st contract. You said, I believe, that the mileage of 29 miles on that contract indicated to you beyond any doubt that the truck couldn't possibly have gone to Long Beach, is that correct?

A Yes.

Q Mr. Moss, would you care to take a look at Government's Exhibit 51 in evidence and tell the jury if you see the mileage on that contract?

(Exhibit handed to witness.)

A Yes.

Q What's the mileage on that one?

A 69.

Q 69 miles?

A Yes.

Q What's the date on that contract, sir?

A August 12th.

Q Did you hear Mr. Seifer testify that on August 12th he made a trip in that rented truck to Lido Beach, sir?

A Oh, yes.

Q Did you testify on direct examination, sir, that American Identification Products went into business immediately after the sale or shortly thereafter?

A Yes.

Q Approximately what date, sir?

A Oh, I would say about the 10th of September.

Q 19 --

A 1972, yes.

Q Did you have anything to do with American Identification Products doing business, sir?

A Beg your pardon?

Q Did you have anything to do with American Identification Products doing business, yes or no?

A Yes.

Q As early as September 2, 1972?

A About September 10th, I think.

Q Pardon me, September 10th.

A About that period.

Q No doubt about that in your mind?

A (No response.)

Q Sir?

A No, I'm associated with American in business on or about September 10, 1972.

Q When was it that Stafford Marking came into existence, sir?

A Well, practically it came into existence about that same time.

Q Around September 10th?

A I would say.

Q This of course was a figment of your imagination, you made it up, the name?

A No.

Q You didn't make it up?

A It was not a figment of my imagination.

Q Somebody made it up?

A It was a name I used to solicit business from the accounts we've been doing business with Stafford

Manufacturing.

Q. That Stafford Manufacturing Company?

A That's right.

Q Would you tell us on what date the Stafford Marking Company was incorporated by you?

A It was not incorporated.

Q Tell us on what date you received permission from the Secretary of State of New York to use the name company --

A I didn't apply for the name.

Q Is it a fact, sir, that you used that name knowing full well that in fact there was no such thing as a Stafford Marking Company, sir?

A I merely -- it was -- there was a Stafford Marking Company. It was a sales entity. I used to solicit business properly from the accounts I had dealt with in the past.

Q You went to the Secretary of State of the State of New York?

A No.

Q You said to the State of New York"we would like to do business under the name of Stafford Marking Company", isn't that correct, sir?

A No, I didn't.

Q Didn't tell anybody about that, did you?

A I only told my cousin I was going to use the name Stafford Marking Company.

Q In other words, you only told the people who were going to send you money that you could cash checks from about that?

A That's not so, no, that's improper questions, sir.

Q I beg your pardon.

A I'm sorry, it's just an improper question.

MR. LEVIN-EPSTEIN: Your Honor, I'll address it from the Judge whether it's an improper question.

Q Stafford Marking came into existence at or about September 10th, is that correct?

A That's correct.

Q Money was received by you in the name of Stafford Marking at or about September 10th, is that correct?

Or after?

A After that period, for work that American Identification did, I merely used the name, the sales name Stafford Marking and invoices it under Stafford Marking.

Q Of course you took all this money you received as Stafford Marking and you funneled it back into American Identification Products?

A I deposited it in the account.

Q When was the first time you started depositing in American Identification's account, sir?

A I don't recall, but --

Q Would it refresh your recollection if I suggest to you the date of not September 10th, but November 28th, 1972?

A It's possible.

Q So for the period between -- does that refresh your recollection?

A No, it doesn't. You just give me a date, sir, but I don't know when --

Q It does not refresh your recollection?

A No, just give me a date I may have deposited the check.

Q The answer is"no, it does not refresh my recollection." Is that correct?

Q It might refresh my recollection as to a particular date, but that may not be when it was started.

Q When was the first time, sir, that you ever told anybody where there was an AIP account that there existed such an entity as Stafford Marking whether it be a company or not?

A As soon as we received checks from Stafford, in the name of Stafford Marking, for the most we deposited the checks in the American Identification account.

Q As soon as you started receiving Stafford Marking checks?

A For the most part. I'm sure as soon as we had the American Identification account, we deposited the Stafford.

Q You're pretty sure of that?

A Yes.

Q I'm allowing you an opportunity to reflect further.

A If I can see something to the contrary, I would like to explain it.

Q What would you like to see?

A You asked me to refresh my recollection. As far as I know, we deposited the checks made out to Stafford Marking in the American Identification account, particularly for work produced by American Identification.

Q Mr. Moss, is there a particular document or something that you would like to see to refresh your recollection?

A No, not necessarily.

Q When was the first time that you ever described the Stafford Marking Company, sir, as a division of

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American Identification Products?

A No.

Q You're looking into your wallet.

Is there something there to help you refresh your recollection?

A Well, I use the name American Identification Products --

Q Excuse me, Mr. Moss. Can you answer the question that I asked you?

A I don't recall the exact question.

(Continued next page.)

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Q Is it a fact, sir, that despite the fact that you readily admitted here on cross-examination that there was no such thing as the Stafford Marking Company as a corporation, you on occasion have used that name to describe as a corporation as said to people the Stafford Marking Company is a corporation?

Didn't you say that to people, sir?

A Not to my recollection.

Q Are you sure of that, sir?

A I am quite certain.

Q There is no doubt in your mind?

A I am quite sure of that.

Q Isn't it a fact that on November 28, 1972 signing the name Floyd Moss you wrote to the Banker's Trust Company and told them:

"Enclosed please find here a Certificate of Resolution covering the formation of a division of this corporation to be known as the Stafford Marking Division of American Identification Products Inc."

Didn't you say that, sir? Yes or no?

A Yes.

Q Well, you did?

A Well, that is no problem --

Q Well, you indicated in your testimony, Mr. Moss

A I do not think it conflicts with what I said.

MR. TAIKEFF: Your Honor, the witness is not being permitted to answer so that the jury can hear him without the interference of Mr. Levin-Epstein's voice.

May the answer be read back? The last answer?

THE COURT: The last answer doesn't have to be read back. He said it doesn't come with what I said.

MR. TAIKEFF: No, he said more than that, your Honor.

THE COURT: That is what he said.

MR. TAIKEFF: Your Honor, he said more than that.

THE COURT: Do you wish to say more than that?

THE WITNESS: I will have to have the question again.

MR. LEVIN-EPSTEIN: I take it the answer to the Court's question is no.

THE WITNESS: I would like to --

Q Did you ever practice law a day in your life, Mr. Moss?

A Never practiced law.

Q Did you ever do any legal work for the Galgan

Realty Corporation, sir?

A My name may have been used in that connection but I never practiced law.

Q Are you saying, sir, that somebody else practiced law using your name?

A No. I may have -- my name may have been applied to documents as the attorney, but I never practiced law. I want you to understand that, and I am clear about that, sir, I never practiced law. Never tried cases or prepared legal documents as such.

MR. LEVIN-EPSTEIN: May I have just a moment, your Honor.

(Mr. Levin-Epstein examines documents.)

Q Mr. Moss, it is a fact, is it not, that there were many occasions where you obtained money from the Estate of Stafford by way of checks made out to cash? Is that correct?

A During what period, sir?

Q I direct your attention to January 8th of 1971, during the period of Chapter XI?

A Money was received, yes, to Stafford Manufacturing

Q No, I think you misunderstand my question, Mr. Moss. I'm talking about checks made out on the Estate of Stafford signed by you, made out to cash, and endorsed by you?

A Yes. I cashed many checks.

Q In fact, sir, you cashed many checks in many different places, did you not, sir?

A Yes, I did.

Q Would you care to tell the jury what you did wit money after you cashed these checks?

A We had a severe struggle during those few years, as I explained to you before --

Q As briefly as you can, Mr. Moss?

A We had to pay the people. We had to pay obligations. We had to pay current obligations. If the money was not forthcoming, I would cash checks and bring the cash in the business and either pay the vendors, or I would put the cash in the bank so other checks would be made good. It might have been highly irregular but I did it to keep the business afloat. And I continued to do that, putting money in the bank to pay the obligations, or to pay the checks as checks came to the bank.

Q Are you completed with your answer?

A Yes, I am.

Q It is your testimony that when you received checks made out to cash you would take the cash -- fill out the checks and cash them and then take the cash and put it in the bank?

A In many instances we did that. In other instances I had to redeem some checks. I would pay off creditors. I paid people payroll money throughout the course of the two years. We had to do that on a continuing basis.

Q Isn't it a fact that during the period of January 8th, 1971 to February 23rd of 1971, a period of a little over six weeks, you cashed in excess of $900 in checks at various grocery stores in and around Great Neck, New York?

A Very possible.

Q Isn't that a fact, sir?

A It may very well be a fact.

Q During that period of time did you tell the trustee -- or rather did you tell the Court about that?

A No, because we used to pay the people to meet the obligations and put money in the business, and pay the employees when I couldn't make good on the other checks.

Q You told nothing to the Court --

A Well, I had --

Q Wait a minute Mr. Moss.

A I am sorry.

Q You told the Court nothing about your method or practice of paying off employees in cash even though by your own words you were under the control of the Bankruptcy Court? Yes or no?

A I did not tell the Court about paying people in cash or paying obligations in cash. But I knew that was the one way I had to run the business until I hopefully could get it on its feet.

THE COURT: I didn't understand you, Mr. Moss. You would take a check for cash from a customer --

THE WITNESS: No, I didn't say a customer. He referred to my cashing checks around town.

THE COURT: On the corporate account?

THE WITNESS: Yes, on the corporate account.

THE COURT: You would take the money in cash and pay these things rather than draw a check to the customer himself?

THE WITNESS: Well, no. Those checks that I cashed in my own name were probably to pay the payrolls of different people. A lot of my employees --

MR. LEVIN-EPSTEIN: Your Honor, so that the jury can hear him perhaps Mr. Moss would face the jury.

(Witness continues.)

-- a lot of the employees could not get their checks cashed at their local grocery stores or their local places. So what I did was I drew checks to cash and I paid the people every week.

And we kept a very careful record of that.

MRs. Wallach, our bookkeeper, kept a very careful record of all the cash I disbursed to the employees.

Q Will you show me that record, please?

A I do not have any of the records at all. They were taken over by the bank -- by the trustee and by the accountants for the --

Q So that there is a record somewhere of the cash that was disbursed?

A Yes, there is.

Q What does that record look like, Mr. Moss?

A A series of envelopes.

Q A series of envelopes?

A Yes, With a very careful record kept by the bookkeeper.

MR. TAIKEFF: Your Honor, if the Government wants, I will bring them in tomorrow so that they can have that.

MR. LEVIN-EPSTEIN: Your Honor, I was under the impression we asked for those a long time ago.

MR. TAIKEFF: No, that is not true at all. They asked for what we intended to introduce in evidence. And we do not intend to introduce them. But if the Government wants to see it the Government can see it.

Q Isn't it a fact, Mr. Moss, that there was a notebook supposedly kept in which every cash disbursement was supposedly kept a record of --

A Mrs. Wallach kept such a book.

Q Where is the book?

A I don't know where it is. It was taken over by the accountants.

Q What efforts did you make to find such a book?

A We have worked for the last two years to find such a book.

Q What efforts did you make to find such a book?

A We talked to the only people that had control of the accounts.

Q And what did they tell you, Mr. Moss.

MR. TAIKEFF: Objection to the hearsay.

THE COURT: Overruled.

A I did not speak for the record. Mrs. Wallach went up and spoke to both of the accountants and to the attorney for the trustee.

Q Isn't it a fact that you were informed by the accountant that there was never such a book that they received? Yes or no?

A I don't know. They said they couldn't find it but we did keep a very careful record.

MR. TAIKEFF: I have already offered to bring those papers in tomorrow, your Honor, or I can make a phone call if your Honor will allow me to leave the courtroom. They will be here within a half an hour?

THE COURT: Send Mr. Engelstein out on the phone call.

BY MR. LEVIN-EPSTEIN:

Q I assume that each and every penny is accounted for, is that correct, sir?

A Mrs. Wallach was the bookkeeper. She made a point of accounting for that money.

Q The answer is yes?

A Yes.

Q So that out of the $46-odd thousand dollars--

A Mrs. Wallach knew about that --

MR. LEVIN-EPSTEIN: Mr. Moss, can I finish my question?

Q -- within the period of one year, you are going to be able to account for every dime in salary, sir, is that correct? Yes or no?

A Whatever the records show. I want to assure you that every --

Q Yes or no, sir?

A Well, I have to explain it.

Stanley Baxter

Q Do you know a man named David Laxter, Mr. Moss?

A Yes, I do.

Q Isn't it a fact that during the period of 1971 you cashed in excess of $46,000 worth of checks?

A Undoubtedly. And I am very grateful that he did that for me.

Q $46,000 worth of salary, Mr. Moss?

A Whose salary?

Q That is what you just explained the checks being cashed for?

A You asked me if I cashed checks and I say I did cash checks.

Q What was that money for?

A He advanced me money continuously to meet payroll

Q Salary?

A Salary for the people, yes.

Q Which is just what I asked you?

A Yes, I am sorry. And there was nothing wrong with that.

Q $46,000, Mr. Moss, expended for salary and cash?

A Yes.

Q Would you show us please one piece of paper on which a record was kept of where the money went? One piece of paper, sir?

Q Yes or no, Mr. Moss?

A You asked me a question for every dollar and I can't --

MR. LEVIN-EPSTEIN: Thank you, Mr. Moss.

MR. TAIKEFF: May the witness now answer, your Honor?

Mr. Moss, can you account for it? Yes or no?

THE WITNESS: Yes, we can account for the checks cashed.

THE COURT: The $46,000?

THE WITNESS: I don't know about that particular amount, sir. I can't tell without having the record in front of me.

THE COURT: So you can't?

THE WITNESS: As far as I know we kept all records of every salary expended --

THE COURT: Let me ask you, when you were making these cash payments to either employees or creditors of the corporation, did you carry it out in any book in which you made the entries?

THE WITNESS: He asked me -- not a notebook but in a daily sheet on the record --

THE COURT: Not you.

THE WITNESS: No, I didn't do all this.

THE COURT: Who made the disbursements.

THE WITNESS: The bookkeeper.

THE COURT: Who physically handled them?

THE WITNESS: The bookkeeper, Mrs. Wallach.

Q But you cashed the check?

A I brought the cash in to be distributed.

THE COURT: Then you brought the cash into be distributed?

THE WITNESS: Yes.

THE COURT: And she made the disbursements?

THE WITNESS: Yes.

Q Can you tell us how it happened that these documents which Mr. Taikeff makes reference to were never turned over to the Trustee in Bankruptcy in the Bankruptcy Court, sir? How did that happen?

A There was no -- as far as I knew -- that these documents were put into a book that Mrs. Wallach had. And at the time of the auction the auctioneers took all the documents, all of our books of account, and turned them over to Roberts & Leinwander, who were the accountants.

Q Will you answer my question, sir?

You don't know?

A I believe they were turned over. I have no way of knowing because --

Q The answer is you don't know?

A The auctioneer was there.

MR. LEVIN-EPSTEIN: Your Honor, can I please --

A (Continuing) I don't know whether they were turned over or not.

Q Mr. Moss, would you care to tell the jury please how the 1967 GMC truck owned by Stafford is now owned by American Identification Products?

A Yes, I would like to tell you.

Q I wish you would.

A I would like to tell you from the beginning if I may --

Q Just tell us.

A I would like to tell you that on August 10th when I found that we had been adjudicated --

(Continued on next page)

Q Approximately '72?

A 1972. I walked into the plant and saw all the bad stuff which I knew did not belong to the company --

Q Mr. Moss, if you would please confine your answer to the truck.

A Well, I have to tell it to you this way, sir.

MR. LEVIN-EPSTEIN: Let me ask specific questions. I withdraw the last question, your Honor, and want to ask specific questions if Mr. Moss finds difficulty with that question.

THE WITNESS: I will go right to the truck if you want me to.

Q Mr. Moss, may I ask you a question, please, sir?

A Yes.

Q When was the truck purchased by American Identification Products? That calls for a date, sir.

A Late in -- I transferred -- I had the truck transferred.

Q What date, Mr. Moss. That is what I asked you.

A I can't say it that way, sir. I can't put it in the way you are asking.

MR. LEVIN-EPSTEIN: Mr. Simon, would you read back my last question.

THE COURT: Let's put it the other way. Was it purchased?

THE WITNESS: Yes, I consider it was purchased.

THE COURT: How much did American Identification Products pay for it?

THE WITNESS: It had paid $8,000 additional to the employees which they didn't have to pay. And I felt at that time, in January, they were entitled -- the American was entitled to that truck. They paid $8,000 in those three months.

Q Mr. Moss, is it your testimony that the employees own the truck?

A No, I didn't say the employees own the truck.

MR. LEVIN-EPSTEIN: May I ask my next question, please?

THE COURT: Yes.

Q Mr. Moss, if you have any difficulty in understanding my question you tell me.

A Yes, I do have some difficulty. I'm trying to tell it to you.

Q Now very carefully now, Mr. Moss, did American Identification Products buy the 1967 truck? Yes or no.

A No, not in that way.

Q Are you sure of that?

A Not in that way.

Q Are you sure of that, yes or no?

A Yes, I am sure. Not in that way.

Q Isn't it a fact, Mr. Moss, that you acting on behalf of American Identification Products arranged for the purchase of that truck? Yes or no?

A The transfer of it because they had laid out the money.

Q Yes or no.

A I arranged for the transfer of that truck.

Q To American Identification Products?

A Yes I did.

Q Whom, sir? Would you care to tell this jury?

A The truck was originally in the name of Stafford --

Q From whom, sir, was the question.

A Stafford.

Q You bought it from Stafford?

A It was transferred from Stafford to American.

Q Directly?

A I don't recall, sir, but I do tell you --

Q Is there anything that would refresh your recollection?

A Yes, it might.

Q What?

A I don't know. Do you want to show me something?

Q Mr. Moss, you are the one that says your recollection needs to be refreshed.

A You asked me how the truck came to go from Stafford --

Q Isn't it a fact, sir, that no fact was ever purchased by American Identification Products from Stafford but rather it was purchased from a nonexistent human being, sir?

A No.

Q Do you know the name John Maxwell?

A Yes.

Q Who is John Maxwell?

A John Maxwell was a man who existed -- he lived up in New York State.

Q What does he look like, Mr. Moss?

A He was about 65 years old.

Q Is he dead now?

A Yes he is.

Q Where is he buried?

A I don't know.

Q Go on, Mr. Moss.

A I would like you to hear the circumstances --

Q I'm sure the jury would too. Why don't you tell us.

A Can I tell you from the beginning?

Q Did you ever hear of a man John Maxwell?

A Yes.

Q Did you ever meet with the man?

A I knew John Maxwell.

Q Did you ever meet with him?

A Yes I did.

Q Did you meet with him when he assumedly and purportedly sold this truck to American Identification?

A No, I did not.

Q You did not meet with him then, did you?

A No.

Q You were not present when the truck was trnasferred to American Identification Products, sir? Yes or no?

A Yes, I transferred the truck to American Products.

Q From whom?

A From John Maxwell.

Q Are you John Maxwell?

A No, I am not. But I can tell you the story -- I can tell it to you if you want me to tell it. I can tell you exactly.

Q Go ahead, Mr. Moss, tell us the story.

A Starting on August 10th, if I may start with August 10, 1972 -- when I came back to the plant and saw all the material --

Q Just tell us about the truck.

A I decided -- I will tell you if you will just let me tell you the story, sir.

MR. LEVIN-EPSTEIN: I will ask the Court to request Mr. Moss to confine himself to the point.

A (Continuing) If I can tell the whole thing, sir.

THE COURT: What he is asking you, Mr. Moss, is for the details with respect to the transfer of the truck to Stafford. Let me ask you a question because I am a little confused. When this transfer occurred from Stafford to Maxwell was Maxwell around?

THE WITNESS: Yes sir.

THE COURT: He was?

THE WITNESS: He wasn't there at the time. But he was alive. So I would like to tell you the circumstances surrounding that. I can tell it to you, sir.

THE COURT: Was he involved in the transaction itself?

THE WITNESS: No, he wasn't.

THE COURT: He wasn't?

MR. LEVIN-EPSTEIN: I am sorry but I didn't hear that.

THE WITNESS: He wasn't.

THE COURT: He wasn't.

Q Who wasn't?

A He wasn't.

THE COURT: Maxwell wasn't involved in this transaction.

Q Are you sure of that, Mr. Moss?

A I would like to tell you the circumstances --

Q Are you sure of that, Mr. Moss?

A Yes.

Q No doubt in your mind?

A I would like to tell you the circumstances --

Q No doubt in your mind, Mr. Moss?

A I would like to tell you the circumstances.

Q I take it there is no doubt in your mind, Mr. Moss?

A I was involved in it.

MR. LEVIN-EPSTEIN: Your Honor, I will ask that this document be marked as Government's next exhibit in sequence for identification at this time.

THE CLERK: Government's Exhibit 80 for identification.

Moss-cross

(Document referred to was received and marked Government's Exhibit 80 for identification.)

Q I show you Government's Exhibit 80, Mr. Moss, and I ask you did you ever see it before?

A Yes.

Q When was the first time you saw that, Mr. Moss?

A 1972.

Q What was the occasion of seeing this document?

A I filled that out.

Q Would you tell the Court please what you are pointing to when you say you filled that out?

A John Maxwell.

Q You signed John Maxwell's name?

A Yes.

MR. LEVIN-EPSTEIN: I offer it in evidence, your Honor.

MR. TAIKEFF: No objection.

THE CLERK: Government's Exhibit 80 marked in evidence.

(Document referred to having previously been marked Government's Exhibit 80 for identification was now received and marked Government's Exhibit 80 in evidence.

Q Mr. Moss --

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Moss-cross

MR. SHERMAN: May I see it?

Q (Continuing) -- would you show us the power of attorney that Mr. Maxwell gave you?

A I didn't have a power of attorney.

Q Well, where did Mr. Maxwell --

MR. SHERMAN: I am sorry but I wasn't shown the document. I didn't have a chance to object.

MR. LEVIN-EPSTEIN: The document was offered in evidence and marked in evidence, your Honor.

MR. SHERMAN: I'm sorry, your Honor, but I wasn't shown the document and I didn't have a chance to object or not object.

THE COURT: Let him look at it and see whether he has any objection.

MR. SHERMAN: I am not saying I have an objection. The document was thrown at me and --

THE COURT: Take a look at it.

MR. LEVIN-EPSTEIN: May I proceed, your Honor?

THE COURT: No, wait a moment.

MR. LEVIN-EPSTEIN: All right.

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MR. SHERMAN: No objection.

THE COURT: All right.

Q Where did Mr. Maxwell live when you signed his name to this document?

A Monroe.

Q Isn't it a fact that the address given on this document for John Maxwell is in truth and in fact the address of Lothair H. Szerlip, your uncle?

A I don't know.

Q Isn't it a fact that this document notarized by Lothair H. Szerlip, your uncle, was signed by you?

A Yes.

Q Not your own name, though, was it?

A No.

MR. LEVIN-EPSTEIN: Ladies and gentlemen of the jury, Government Exhibit 80 in evidence is a State of New York, Department of Motor Vehicles affidavit of sale or transfer.

May I read it to the jury?

THE COURT: Yes.

MR.LEVIN-EPSTEIN: It reads as follows:

Name of seller, John Maxwell. Resident address P.O. Box 792 Quaker Hill Road, Monroe, New York, zip 10950. Vehicle description, 1967 GMC panel truck.

C6946F serial number. Color, yellow. Weight, 9,940 pounds. Last year of registration on this says 1972 in NewYork. Plate number 193664 New York. Name of last registrant, Stafford Manufacturing Company, Inc., 145 58th Street, Brooklyn, New York, 11220. Name of purchaser, American Identification Products -- I'm sorry, strike that, Mr. Barbella.

American Identification Company, Inc., at the same address as Stafford. Date of purchase, December 6, 1972.

On the reverse side of the document, affidavit of seller, and it reads as follows:

State of New York, County of Orange. The undersigned being duly sworn says, I am the owner of the vehicle described on the reverse side and have sold it to the purchaser's name thereon.

And by Mr. Moss' statement, it is signed by Mr. Moss, the name John Maxwell, and morever notarized by Lothair H. Szerlip on December 6, 1972.

Affidavit of purchaser. We have here the same oath. The undersigned being duly sworn states, I have purchased the above vehicle, signed, American Identification Company, Inc., by R. Gorecki, December 6, 1972, also notarized by Lothair H. Szerlip.

Mr. Barbella, that's L-O-T-H-A-R H. S-Z-E-R-L-I-P.

Q Now, prior to the time -- by the way, you signed this under oath, Mr. Moss? Mr. Moss?

A I signed that, yes sir.

Q Under oath Mr. Moss?

A Oath to whom, sir?

Q Mr. Szerlip?

A No. I signed the entire thing.

Q You signed all the names to this?

A Yes, Idid.

Q You signed Gorecki's name?

A I signed everything.

Q You signed his name as well?

A Yes.

Q Did you sign Lothar Szerlip? Yes or no?

A Yes, I did.

Q Did you give yourself an oath and then violate it by signing someone else's name?

A No. I would like to explain the situation.

Q You will have ample opportunity on redirect.

Q Thank you.

Q Tell me, Mr. Moss, I show you another document and I ask you, did you sign all the names on this affidavit as well, sir?

A Yes, I did.

MR. LEVIN-EPSTEIN: I offer it in evidence, your Honor.

MR. TAIKEFF: No objection.

MR. SHERMAN: NO objection.

MR. LEVIN-EPSTEIN: I offer it in evidence as Government's Exhibit 81.

THE CLERK: So marked Government's Exhibit 81.

MR. LEVIN-EPSTEIN: For the record, your Honor, I will describe 81.

THE COURT: Government Exhibit 81 is marked in evidence.

MR. LEVIN-EPSTEIN: Then I will read it to the jury.

Ladies and gentlemen, Government's Exhibit 81 in evidence, as you can see, is another affidavit of the Department of Motor Vehicles. It is entitled, also an affidavit of sale or transfer." The name of the seller on this affidavit is the Stafford Manufacturing Company. The name of the purchaser is John Maxwell. The date of purchase is March 17, 1972. The truck is described by serial number. I won't burden the record by reading it again. The address for

Mr. Maxwell is the same as the other address, Post Office Box 792, Quaker Hill Road, Monroe, New York.

On the back where it says, affidavit of seller, it reads as follows:

I, being duly sworn, am the owner of the vehicle --

I am paraphrasing.

Signed, George S. Moss.

Q Is it not, Mr. Moss?

A Correct.

Q That's your signature?

Did you swear to yourself on that one, Mr. Moss?

A I did the entire --

Q My question is, did you take an oath as it says here, notarized? Did you take that oath? Yes or no.

A I didn't take any oath.

Q Of course you couldn't administer an oath under somebody else's name?

A I didn't administer the oath to myself.

Q You knew that as an attorney?

A I beg your pardon?

Q The affidavit of the purchaser is the same sworn statement, signed, John Maxwell, is it not, Mr. Moss?

A Yes.

Q Did you swear to the oath on that side, Mr. Moss?

A I did the entire thing.

Q Did you swear to the oath on that side, Mr. Moss?

A I just signed the names. I didn't swear.

Q It does say, being duly sworn, does it not?

A I filled that in. I'm not denying it.

Q Are you lying when you said you signed that?

A I am not denying -- no, I didn't lie from the first moment you asked.

Q March 17, 1972, will you tell us, please, sir, how much you paid yourself as John Maxwell for this truck when it was purchased by AIP in December?

A If you eliminate John Maxwell, I will tell you how much I paid.

Q Okay. How much did you pay yourself for that truck?

A I didn't pay myself.

Q How much did you --

A And I --

Q How much did you pay anybody for that truck?

A $8000 of my money and American Identification money went into -- went into the estate of Stafford and at that point -- at that point I felt I was entitled to it.

Q The money went to you?

A The people at Stafford Manufacturing.

Q Is that correct?

A The creditors of Stafford.

Q Are you sure of that.

A The $8000.

Q Will you please take a look at those four checks and tell us what they are.

A Checks made out to John Maxwell. I made them out.

MR. LEVIN-EPSTEIN: Offered in evidence.

MR. TAIKEFF: No objection.

MR. LEVIN-EPSTEIN: They can be marked as one exhibit.

MR. SHERMAN: No objection.

MR. LEVIN-EPSTEIN: Government's Exhibit 82 in evidence, if it please the Court, I will just have them stapled together. I have no objection if you have no objection.

MR. TAIKEFF: None.

THE CLERK: Four checks.

MR. LEVIN-EPSTEIN: Four checks, yes.

THE CLERK: Government Exhibit 82 marked in evidence.

Q Now, Mr. Moss, on Government Exhibit 82, did you sign the name John Maxwell where it says pay to the order of?

A Yes.

Q Did you sign the name, Floyd Moss, where it says, payor?

A Yes, I did.

Q Will youshow us, please, any of these where the name George Moss appears?

A Not on the checks.

Q Not on the --

A No, it doesn't.

Q That's $850 worth of American Identification money that went where?

A Went to pay obligations. Obligations to the people who were -- as a matter of fact, I cashed this very one. In addition to all of this, I paid the -- I used this cash to pay creditors, employees of American Identification Products -- of the Stafford Manufacturing.

Q John Maxwell was one of those creditors?

A No. I just used his name.

Q He was a roommate of your uncle in Monroe?

A No, he wasn't.

Q You have always known that John Maxwell was the purchaser of the truck?

A No.

Q You always knew that John Maxwell was the seller of the truck?

A No. I just used that name.

Q You just used the name?

A I used the name. And I'll tell you why if you want.

Q I'm sure Mr. Taikeff will ask you that question.

THE COURT: Ladies and gentlemen, we will take a five minute afternoon recess. Don't discuss the case.

(Whereupon the jury retired from the courtroom.)

(Recess taken.)

(Whereupon the jury entered the courtroom.)

MR. LEVIN-EPSTEIN: May I proceed, your Honor?

THE COURT: Please do.

Q Mr. Moss, there was a car also, wasn't there? A 1969 Chevrolet station wagon?

A Yes.

Q Mr. Maxwell was instrumental in the purchase and sale of that car too, wasn't he?

A No.

Q Had nothing to do with that, did he?

A No.

Q That all your idea, wasn't it?

A Yes.

Q And so you decided you'd sign his name for the car as well, didn't you?

A Right.

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Q There's no doubt that you forged his name in that --

MR. TAIKEFF: Objection to the use of the word "forged".

MR. LEVIN-EPSTEIN: Most assuredly.

THE COURT: I will allow it.

Q Forged. Isn't that what you did?

A Signed his name. I don't know how he signed his name so I don't think I forged --

Q You don't know how he signs his name?

THE COURT: Wait a minute. You're a lawyer.

THE WITNESS: Yes.

THE COURT: You understand that when you sign someone's name with authorization, it is not forgery. But if you sign it without authorization, it is.

THE WITNESS: If that's what it was, then it's a forgery.

THE COURT: Isn't that your understanding as a lawyer.

THE WITNESS: I suppose you might say that.

Q I can't hear you.

A Yes.

THE COURT: "I suppose you might say that."

THE WITNESS: I agree with his Honor.

Q So it's forgery, right?

A All right.

Q That's a crime, isn't it, Mr. Moss? Isn't it, Mr. Moss? An illegal act, Mr. Moss?

A I don't agree with you.

THE COURT: You don't?

THE WITNESS: Personally, I don't think -- I don't agree under the circumstances.

THE COURT: When you went to the Yale Law School, you took Criminal Law Number 1 and isn't that how they define it as a crime?

THE WITNESS: Yes.

Q Mr. Moss, may I ask you this question? When somebody -- in your opinion as a lawyer and as a businessman, when somebody takes pen in hand and writes the name -- let's be more specific. If I or Mr. Taikeff or anybody were to take pen in hand and take an affidavit where there is an oath to be taken upon it, a document of legal consequence, and write the name -- and write, I, George Moss, do hereby swear, or I duly affirm -- and this is under the name, George Moss, did somebody forge your name? Yes or no.

A I didn't hear the whole sentence.

MR. LEVIN-EPSTEIN: I will withdraw the question.

I offer these in evidence.

MR. TAIKEFF: No objection.

Q When you were at the Yale Law School, Mr. Moss, did you take criminal law?

A No.

Q When you were at the Yale Law School, Mr. Moss, did you learn about what a crime is?

A Generally speaking, yes sir.

Q When you were at the Yale Law School, Mr. Moss, did they teach you about signing somebody else's name? Anything about that, Mr. Moss?

A Didn't teach me about signing somebody else's name.

Q Where did you learn about signing somebody else's name? I am sorry. You didn't answer my question.

A Well, it's a peculiar question.

Q Can you answer it, sir?

A Not really, no.

Q Did you learn from somebody how to sign somebody else's name or did you make it up yourself?

A I signed it myself.

Q Thank you.

MR. LEVIN-EPSTEIN: I offer this document, and then this document, as the next Government exhibit in sequence in evidence, your Honor.

MR. TAIKEFF: No objection.

THE CLERK: So marked Government Exhibit 83 in evidence.

Government Exhibit 84 marked in evidence.

(So marked.)

Q Now, Mr. Moss, directing your attention to Government Exhibits 83 and 84, just as there is no -- excuse me -- you wrote all the writing on these two, didn't you?

A Yes, I did.

Q So you forged how many names on those documents, sir?

A There's one, two. There's three names on each document.

Q Three names that you forged on each?

A I am sorry. One is mine. So I am sorry.

Q We will strike the one of your own.

A True.

Q You didn't forge your own name?

A No. I wrote my own name.

Q You wrote all of the names. I am talking about which ones you forged?

A One is mine.

Q So you forged the name, John Maxwell, on 84 and 83 in evidence, and I see you forged the name, R. Verecci, again?

Gorecki

A Right.

Q And you -- well now, you forged the Lothar Szerlip a couple of times on Exhibit 84?

A I don't dispute the count.

Q You forged the name Szerlip on number 83 and John Maxwell? This is your own name. You didn't forge that, did you? Did you give yourself authority to sign your own name on that one, Mr. Moss?

MR. LEVIN-EPSTEIN: Ladies and gentleman of the jury, Government Exhibit 83 now marked in evidence, as you can see is another affidavit of sale -- with the Court's permission -- the name of the seller for this 1969 Chevrolet Suburban station wagon, vehicle identification number -- and I will have to bore you with the number once again -- for the record, it is 134469B313953.

And I will represent to the Court that is the same number on the registration.

Name of seller, Stafford Manufacturing Company. Name of purchaser, John Maxwell, post office box 792, Quaker Hill Road. Date of purchase

Moss-cross

for this car from Stafford to John Maxwell is December 4, 1972.

As we know now, the affidavit on the back, we have Mr. Moss swearing over the forged isignature of Lothar Szerlip as notary.

MR. TAIKEFF: Objection, your Honor. That is inconsistent with the evidence. The testimony was there was no oath taken.

MR. LEVIN-EPSTEIN: I am sorry. I will read the document in its entirety.

State of New York, County of Kings.

I, the undersigned, being duly sworn says, I am the owner of the vehicle described on the reverse side and have sold said vehicle to the purchaser named thereon, Stafford Manufacturing, George S. Moss, president. Sworn to before me this -- and it appears to be obliterated -- 1972.

I will represent to the Courtthat that matter will become part of the evidence in this case.

Lothar H. Szerlip, and the notary stamp and seal.

Q By the way, Mr. Moss, where did you get the stamp and seal to sign this affidavit?

A I had it.

Q You had it from him?

A Not from him. It was left in the office and I used it.

Q You are a notary?

A No, I am not.

Q Mr. Moss, is your name also Lothar H. Szerlip?

A No. I signed Mr. Szerlip's name.

Q You forged Lothar H. Szerlip's name?

A You want to consider that I did.

Q No. I am not considering. That's what the law is.

MR. LEVIN-EPSTEIN: Affidavit of purchaser.

I, the undersigned, being duly sworn, purchase that vehicle, and signed by Mr. Moss forging the name, John Maxwell over the sworn affidavit of the notary, the affidavit of Lothar H. Szerlip, sworn to before me, purportedly by Lothar H. Szerlip.

Q Now, Mr. Moss, whenever you have been asked about the sale or the purchase of either this truck or this car, you have always been perfectly candid in the past, have you not?

A Yes.

Q There's never been a time when you ever told anything but the whole truth and nothing but the truth, correct, sir?

A What time are you referring to?

Q Yes sir or no sir.

MR. TAIKEFF: Does he mean in his whole life?

MR. LEVIN-EPSTEIN: Yes. I mean in his whole life.

MR. TAIKEFF: I object to the form of the question. When he was 9 years old he may not have told the truth.

MR. LEVIN-EPSTEIN: I am talking about these vehicles.

THE COURT: I don't think the '67 or '69 vehicles were in existence when he was 9 years old. AT least not based on the way he looks.

MR. TAIKEFF: I think the question has to be more carefully defined.

Q Do you understand my question, Mr. Moss?

A Repeat it.

MR. LEVIN-EPSTEIN: Mr. Barbella, if you would.

(Record read.)

Q Now, the question is, correct? Yes or no?

A With reference to what?

Q The two vehicles, Mr. Moss?

A I told you before I told the truth in reference to these vehicles.

Q Did there ever come a time when you were asked to purchase the truck or the car from Stafford and you answered you didn't know who it was, sir?

A I don't recall.

Q Under oath, sir, did you ever say to anybody that you couldn't recall who it was or you didn't know the name of who it was that purchased the car and the truck from Stafford? Yes or no.

A I don't recall, sir. I just don't.

(Continued next page.)

Q When you received an oath imparted to you under penalty of perjury, do you recall being asked this question and giving the following answer on April 5, 1973:

MR. LEVIN-EPSTEIN: I will read a number of questions and answers, if it please the Court.

MR. TAIKEFF: Could we have an identification of the document being read from?

MR. LEVIN-EPSTEIN: Your Honor, the document is a certified copy of a transcript obtained from the U.S. District Court, Eastern District of New York, bankruptcy court, in the matter of Stafford Manufacturing Company, April 5, 1973. If the Court wishes to examine it, it is a certified copy.

THE COURT: No. Go ahead.

Q "Question: Stafford Manufacturing owned automobiles; is that correct?"

And you answered, "Yes, at one time it did."

I will skip ahead a bit. Were you asked this question and did you give this answer:

THE COURT: Do you want a reference? Do you hav a copy?

MR. TAIKEFF: I do not.

THE COURT: Do you want to follow by reading over his shoulder?

MR. TAIKEFF: I can listen to it, your Honor. Thank you.

Q "Question: Which automobiles did they own? Describe them.

"Answer: They owned a truck and a station wagon.

"Question: What happened to the truck? What kind of a truck and what kind of station wagon?

"Answer: 1967 truck, panel truck.

"Question: What kind?

"Answer: Chevrolet panel truck.

"Question: What year?

"Answer: 1967 and 1969 station wagon."

Were you asked those questions and did you give those answers, sir?

A Yes. If that's what it says.

Q "Question: What kind?

"Answer: Chevrolet. I am sorry. I think it was a GMC."

And so on with that.

Were you asked that question and did you give that answer?

A If that's what it says, that's what I did.

Q "Question: And what happened to these vehicles?

"Answer: They were sold in 1972.

"Question: When in 1972?

"Answer: I think in February, April of '72.

"Question: To whom?

"Answer: To a party who came and wanted to purchase them, but I might point out that both were in very --

"Question: Answer my question.

"Answer: I can get you the name. I don't know the name. My brother sold them."

Were you asked those questions and did you give those answers? Yes or no?

A Yes. If that's what is on there, I said it.

Q Are you telling us now, sir, that at that time in April of 1973, you didn't know that you sold the truck to John Maxwell, sir?

A Both the answers I gave there --

Q Were you lying then, sir?

A I wasn't telling the truth there.

Q Is that a lie when you don't tell the truth?

A Yes, it is.

Q So you perjured yourself, sir; isn't that right?

A It's a harsh word.

Q It sure is. Did you perjure yourself then, Mr. Moss? Yes or no?

A Yes.

Q Under oath given to you in a District Court just as the oath was that you received here by the same court that you received the oath before Mr. Taikeff called you as a witness, you knowingly and willfully and intentionally misled and lied; right or wrong? Yes or no, sir?

A No, I did not intentionally mislead.

Q Did you lie, Mr. Moss?

A Yes, but -- but --

Q Thank you.

A But for a right purpose.

Q According to George S. Moss, no doubt?

A Yes, sir, I think so.

Q Was the purpose greed, Mr. Moss?

A No, it was not greed, sir. It was not greed. It was a foolish regard for others, perhaps, but not greed.

(continued next page)

Q Mr. Moss, after the truck and after the car was sold to John Maxwell or whatever name you used--

A They weren't sold to John Maxwell.

Q So you perjured yourself in these affidavits?

A I told you they weren't sold to John--

Q You perjured yourself twice in Government exhibit 83, correct?

MR. TAIKEFF: Objection, your Honor, there was no oath administered.

THE COURT: Beg your pardon?

MR. TAIKEFF: I said there was no oath administered.

The questioner is using --

MR.LEVIN-EPSTEIN: I'll rephrase.

Q You lied in Government's Exhibit 83 twice, right, Mr. Moss, and you lied twice in Government exhibit 84, right, Mr. Moss?

A If you want to consider it that, yes.

Q Right or wrong, Mr. Moss?

A Yes, I lied.

Q You lied twice in Government's exhibit 81, right, Mr. Moss?

A (No response.)

Q Right?

A If you want --

Q You lied twice in Government Exhibit 80?

A If you want to consider it.

Q We know you perjured yourself in the Bankruptcy Court at least once.

A I don't consider I did.

Q Perjury --

A I don't consider I did.

Q Mr. Moss, where was the truck after John Maxwell supposedly bought it from you, it was still used by Stafford, right?

A The truck was used by Stafford until August 11th.

Q At which time it was concealed, Mr. Moss?

A No, it was not concealed. It was not concealed, sir.

Q Mr. Moss, you've already acknowledged these four checks to the S&M Fuel Oil Company; is that correct?

A That's right.

Q Do you also acknowledge that these checks were paid by your wife at your instructions?

A Yes.

Q And at your desire?

A Yes.

Q And in your behest?

A Yes.

Q With your intention in mind to pay S&M off for the rental of this truck, 30 odd miles away from Stafford, sir?

A To pay S&M Fuel Oil.

Q Fuel Oil?

A They were made to pay S&M Fuel Oil.

Q For fuel oil, sir?

A No.

Q For rental space?

A Rental space for the truck.

Q The space of this Stafford Manufacturing truck?

A Stafford Manufacturing truck; that's correct.

Q The yellow and/or blue truck, right?

A The yellow truck.

Q Was it yellow all the time, Mr. Moss?

A It was yellow while it was there.

Q Yellow while still hidden --

A It wasn't hidden. It was left there. It wasn't my intention to hide it.

Q Did you find it necessary to use a better truck for that period of time, at that time you went out to spend money for trucks?

A I found it necessary to use other trucks to the tune of over three thousand dollars.

Q To the tune of three thousand dollars, sir, you didn't use this truck at all, right, (Indicating)?

A Not a truck that wasn't worth anything.

Q Wasn't worth a thing?

A Not a thing, but much less.

Q How much less, sir?

A That truck probably wasn't worth anymore from $800 to a thousand dollars, tops. I didn't do it for that purpose.

Q Of $800 to a thousand dollars, sir, would you tell us on what day, whatever the value of the truck, would you tell us, sir, on what day you told Judge Price or anybody in the Bankruptcy Court about these forgeries?

A I didn't tell Judge Price.

Q Of course not.

A SPEAKER: Did you tell anybody about the perjury you committed?

A I didn't tell them.

Q Did you tell Judge Price about the stationwagon going anywhere, sir?

A I wasn't aware of the location.

Q Did you tell Judge Price about the truck going to S&M at all?

A No.

Q Who did you tell?

A No one.

Q Did you tell Arnold Rubin?

A To locate a spot? That's all I told him.

Q He knew nothing about your opinion of the fact you were in Chapter XI?

A He knew we were in Chapter XI.

Q Also knew you were in financial difficulties, didn't he?

A I'm sure he knew that.

Q He also knew, sir --

MR. SHERMAN: The witness is incompetent to say what this man knows.

Q Did you have any conversation --

MR. SHERMAN: I'm entitled to a ruling.

THE COURT: This witness, of course, doesn't know unless he had a conversation with him.

MR. LEVIN-EPSTEIN: I' m sorry.

THE COURT: Objection sustained.

Q Did you ever have a conversation with Mr. Rubin about the Chapter XI Proceedings?

A No, not specifically.

Q Did you ever have a conversation with Mr. Rubin about financial straits and difficulties, in which you found yourself?

A He knew we have financial difficulties.

Q He was a relative --

MR. SHERMAN: Objection.

THE COURT: The question was did he ever have a conversation?

THE WITNESS: I don't recall specifically, sir, having a specific conversation about our financial difficulties as such.

THE COURT: How did he know?

THE WITNESS: He might have known we were struggling. He knew we were struggling, possibly .

THE COURT: How?

THE WITNESS: From general -- the general situation.

THE COURT: What general situation?

THE WITNESS: We were struggling in the business.

THE COURT: Howdid he know?

THE WITNESS: I don't know exactly how he knew, sir.

THE COURT: Strike it out.

MR. SHERMAN: Might we have a direction to the jury?

THE COURT: To the extent that he is surmising they must disregard it.

Q When did you tell Mr. Goldhaber the truck was out in S&M?

A I didn't tell it to Mr. Goldhaber.

Q Did you tell anybody at the creditor's committee?

A No.

Q Did you tell any of the creditors?

A No.

Q Did you tell anybody at all?

A (No response.)

Q Besides S&M?

A (No response.)

Q Yes or no?

A My brother knew it was out on the Island.

Q Your brother Nat?

A He knew of it, yes.

Q Did Nat tell the trustee?

A No.

Q Did Nat tell Mr. Goldhaber?

Moss-cross

Q Right?

A (No response.)

Q Wrong? Tell me if I'm wrong.

A Specifically with reference to what, sir?

Q That you didn't know who had the truck, for example. For example?

A I did not tell the Bankruptcy Court who had the truck.

Q Or the car?

A Or the car.

Q You know, Mr. Moss, that as a debtor in possession you are acting just as a trustee, right?

A Yes, to a degree.

Q You know, Mr. Moss, don't you, that as a debtor in possession you had a legal obligation to preserve the assets of the debtor in possession whose Estate just as a trustee?

A Yes.

Q And to this date you know that, don't you?

A I know that. No one worked any harder than I did to preserve it. I created funds for the creditors and for the people and for the Estate. To this time, I'm doing it.

Q Is one of the ways you created the funds, Mr.

A I don't know. He never spoke to him.

Q What was the value of the American Identification Truck, sir, and when I say "The American Identification Truck" I mean the blue truck. What was the value of that when it was purchased or transferred or however you want to characterize it by AIP?

A You want an opinion? I would say eight hundred to a thousand dollars.

Q No more than that?

A No.

Q No question in your mind?

A That's my opinion.

Q Isn't it a fact when you applied for your insurance you told the insurance company it was worth in excess of $3,000, sir?

A You have to fill out certain forms.

Q Yes or no.

A Yes, we did. That's a form.

You have to fill out to show book value at a certain time. That does not refer to the real value.

Q You lied then, too?

A I didn't lie.

Q You're lying before the bankruptcy court?

A (No response.)

Moss, to take this truck and hide it 30 miles away from your office and then keep it there and not --

A No, I had no intention of depriving the creditors of Stafford of anything. That was not my purpose at all.

Q What efforts did you take to tell the Bankruptcy Court about the deals you made?

A No little deals, only two vehicles, one of which I was concerned with. I had -- I meant no ill, no harm to the creditors when I did it.

Q Is it your position, sir, it's only two vehicles; there's no fraud involved?

A I don't consider fraud involved.

Q How many vehicles would it be to be crime?

A I don't consider that fraud at all. There was an overriding conversation and it was not done to either enhance my own position or to in any way hurt the creditors.

Q At what point did you go to the trustee, say "Listen, Mr. Trustee," or the Bankruptcy judge "Listen I have an overriding concern for the interest of the employees. How, based on the legality of the situation can I do it the way I want to do it?"?

A I approved the guy giving them eight thousand dollars, by applying for this to collect $2,000.00 in notes for Bethlehem Steel by securing $5,000.00 from the United States Government to pay to the creditors' accounts. This is what I've been working on, not because of a truck which I did not take purposely or in any way hurt the creditors and your directions to me are improper, sir, and I resent them very much because you don't know what humility is of going through something like that when I've done everything I can to make the business successful, bring it through to this very day.

Q The $8,000.00 was the $8,000.00 you stole, wasn't it?

A No, it wasn't. I didn't steal it, sir. I didnot steal it.

The $8,000.00 was an addition to any other funds to any Sperry funds, my own money. Just because you say it doesn't makeit so because I can prove that it was my own money and I can prove that I used that money for the benefit of the creditors and I am working on it to this very day. No matter how you attempt to humiliate me I will repeat the truth. I will prove it, sir.

Q Are you completed with your answer, sir?

A Yes, I am, for the moment.

MR. TAIKEFF: Your Honor, perhaps the

Government would wish to know that the records which were requested earlier arrived a little while ago. They're on that chair if they wish to look at them (Indicating.)

Q Mr. Moss, would it be fair to say that when you paid these employees in cash you paid them off the books?

A (No response.)

Q Yes or no?

A No.

Q It's not fair to say that?

A No.

Q You had a check madeout to them and you paid them on a check and the check is listed in the cash disbursements ledger, sir, so it was on the books, every payment of salary to an employee?

A I didn't say payment on the books. I had a receipt for it. That made it, as far as I'm concerned, a record. They were owed the money for work they performed; therefore, that made it on the books.

MR. LEVIN-EPSTEIN: Your Honor, please.

THE COURT: He answered, Mr. Levin-Epstein. He had a receipt that constitutes making it on the books.

Q These receipts are all in a book?

A Which ones are we talking about?

Q Which ones are you talking about?

A I'm talking about the receipts, the Chapter XI period for the last two weeks of Chapter XI.

Q Were you ever told -- did you ever testify on direct examination that you paid people without telling the Bankruptcy Court, yes or no?

A Yes, I did.

Q Would you say that that was a payment off the books?

A No.

Q Was it a payment on the Bankruptcy Court books, sir?

MR. TAIKEFF: Objection to the form of the question, your Honor,

THE COURT: Overruled.

Q Was it payment on the bankruptcy books, sir?

A (No response.)

Q On the Estate of the debtor in possession, on the Estate --

A I would consider that and I'll tell you why.

Q I don't want to know why. I want to know yes or no.

A I want to tell you why.

Q Mr. Taikoff will probably ask you that.

A Yes, I consider that for practical purposes, the same as the set of books when you're paying people, getting receipts and they put in no claims.

Q Is that what you meant, sir, on February 17th, of 1972, when you testified under oath before the Bankruptcy Court when you were asked this question and when you gave the following answer or did you give this answer to this question?

"Question: Mr. Moss, do you know anything concerning the substance of what I know the witness has said. Please advise the Court but only those things you know of your own knowledge, not something you heard that maybe hearsay or information that people have mentioned, anything that relates to his testimony that you have knowledge of. We would like to hear.

"Answer; As the direct head of organization of Stafford Manufacturing Company I can categorically state that we pay no one off the books; that the employees are paid as a matter of record."

Did you say that, sir?

A February, 1972?

Q That's different than now, isn't it?

15

Moss-cross

A Wait a minute. We're talking about a different period of time. I understand you to be talking about the payments I made ending August 10th, 1972. For those two weeks. That's what I was referring to.

Previous to that we kept records on the books. As far as I am concerned, we always kept book records. They may have been somewhat irregular, but we certainly kept records. We had records of receipts we paid the people.

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Q Mr. Moss --

A What would happen with $9,000.00 if money wasn't paid for every week to the employees?

Q Mr. Moss, you did a lot of work. Let me rephrase that.

You did quite a few transactions, did you not, with the so-called H&S Check Cashing Company, did you?

A Yes.

Q H&S Check Cashing Company, to your understanding, is it not, is a place where you can go with a check and get cash for that check upon giving a proper identification?

A That's right.

Q You were friendly with Mr. Laxer who is the owner of H&S, aren't you?

A He asked me on many occasions.

Q You helped him by giving him business on occasions?

A (No response.)

Q When you needed to cash a check you went to Mr. Laxer, among others, right?

A Yes.

Q When you needed to get cash for a check, money, currency, you went to Mr. Laxer because he would cash your checks; no questions asked, right?

A That's right.

Q And that's where you went, sir, isn't it, to cash Government exhibit 35, 37 and 39?

A Certainly.

Q Isn't that right?

A That's right.

Q Who were those checks written on?

A These are three Sperry checks written to Stafford Manufacturing Company.

Q Are those the Sperry checks that you acknowledged in your direct testimony belonged to the Stafford Manufacturing Company?

A Yes, I did.

Q Is that the money that you stole from Stafford, sir?

A I didn't steal the money from Stafford. I paid more money to Stafford than was taken out; than represented by these checks. They weren't stolen. They were given to the preferential creditors of Stafford's, the employees, definitely. There's no question about that.

Q Preferential creditors, is that the term you used?

A I considered them priority creditors, people on payroll should be number one.

Q Would you show us your appointment as the Bankrupty Referee, as the Trustee in Bankruptcy, sir?

A I paid --

Q Would you show us, please, that document, if that exists?

A The Bankruptcy Court hasn't paid the employees what they owe them from 1970. I paid them immediately in 72.

Q You appointed yourself their guardian angel?

A You might consider that. I had responsibility to them. I owed them some responsibility to their loyalty. I saw they got paid.

Q Your feeling and loyalty to the other creditors --

A I didn't steal money. As a matter of fact, I increased the other creditors' positions by paying off the employees, so I improved theposition of the creditors by some $8,000.00.

Q That's why you're in bankruptcy, right?

A But I still improved the position of the other creditors by $8,000.00. I improved the creditors estate by $3,000.00 plus another$5,000.00 we secured at the bankruptcy, plus the fact that I'm working now on a claim for Bethlehem which I expect.

Q Please confine yourself--

MR. LEVIN-EPSTEIN: Your Honor, will you please instruct the witness, once again?

THE WITNESS: I'm sorry. I apologize.

Q Would you care to compose yourself, Mr. Moss?

A I'm all right.

Q Take as much time as you wish.

A I'll be all right.

Q Are you ok, Mr. Moss?

A I'm all right.

Q Have you composed yourself?

A Yes, I'm composed.

Q Are you prepared to answer the questions that are asked, Mr. Moss?

A Yes, I am, sir.

Q Mr. Moss, the work that was done on those Sperry checks, I believe you testified on direct examination you did "Yourself"?

A No, not Sperry, Surlass.

Q I'm sorry, the Surlass checks you did yourself.

A Yes, I did.

Q At the beginning of your direct examination by Mr. Taikeff, I believe you rather lengthfully explained to the jury the complex nature of your engineering business that there was damage control and there were special devices. to affix special devices to, all of that, you told us all about that, didn't you? Right?

A Generally.

Q Generally?

A (No response).

Q Without overwhelming us with the complexities, isn't it a fact that the complex device that you used to attach a sign to a bulkhead is called in the trade a screw?

A I didn't say I used the complex device to attach a plate to a bulkhead. I said I used what they call a certain type of foam and attachments, which are screws and rivets. The complex part is knowing where to put them, the engineering involved in producing the proper reading for the label plates. Not attaching them, attaching them is simple if you know where they go.

Q You knew where they went?

A Yes, I did.

Q Because there was a sign that said, "Put this sign here"?

A No, that's not the way it worked. I can show you from my records how I did it.

Q Mr. Moss --

A Let me explain to you.

Q Mr. Moss -- you are characterizing, which isn't right.

MR. LEVIN-EPSTEIN: Your Honor, please?

Q You, personally, Mr. Moss, took the foam or whatever the device is and the signs whatever the devices are, and you personally, sign in hand foam in the other hand affixed --

A I didn't do it that way.

Q Affixed the labels or signs to the bulkheads or these two LST's and for that reason, this money, this $2,000.00 is your money?

MR. TAIKEFF: Objection to the form of the question because it assumes a fact not in evidence that he did the work on two LST's. That's not the question.

Q On any LST's or LST, as the case may be, right?

A I performed the labeling and installation of the label plates, not the way you say.

Q $2,500.00 --

THE COURT: Wait a minute. Not the way you say?

THE WITNESS: Not the way he said it.

THE COURT: How did you do it?

THE WITNESS: Mr. Levin-Epstein had me as the Statue of Liberty. I didn't do it quite like that.

Q How did you do it?

A I used the copies of the engineering reports which showed me the location of the plates. I put them on the valve wheels, put them on the bulkheads. I put them on the ventilators. I put them on the fire plugs. I put them on the air escapes. I put them on the fire extinguishers and I put them on the equipment.

Where required, operating as safety precautions, there were approximately 600 or 700 plates which I put on. I did get some help from a couple of the sailors aboard the ships.

Q You paid them?

A Yes, I did.

Q You told the Bankruptcy Court how you paid them?

A I didn't have to tell the Bankruptcy Court anything. It wasn't the Bankruptcy Court's money. It was my money. That was done after the adjudication, had nothing to do with Stafford Manufacturing, nothing, sir.

Q When were these plates manufactured, Mr. Moss?

A The plates were manufactured and paid for by Surlass well before the bankruptcy.

Q Of course, money went to the bankruptcy?

A Yes, it did.

Q Did you tell the Bankruptcy Court anything about the receipt of these checks saying to anybody in the Bankruptcy Court "Listen, Judge, I'm a little concerned about this because it may look a little bad because these checks are made to Stafford. I want you to know this is my money. I have a good -faith belief in it. I want to be right on record, upfront, candid with everybody. This is my money, Judge. If there's a right way to do it, would you please advise me?" Did you ever have a conversation with anybody?

A No, I didn't expect that I would have to. This work was done after the bankruptcy. There's no question about it, sir.

THE COURT: Let me ask you a question.

THE WITNESS: Yes.

THE COURT: Having done it after the bankruptcy, did you ask Surlass to make out a check to George Moss?

THE WITNESS: Yes, but as a matter of fact I wanted the order written up differently, but Mr. Surlass explained to me that all their contracts were approved by the Navy and once a contract was issued to a company they had to maintain the same company name. They had to do it that way.

I said "Can't you make it to Stafford Marking ompany?" He said, "No, George, the order is written-- Mr. Moss --" whatever he called me. "The order is written to Stafford Manufacturing Company and I have to go that way."

Q That's the reason you took it to the H&S Check Cashing Company instead of Mr. Goldhaber?

A I took it to H&S because it didn't belong to Goldhaber.

Q Who did it belong to?

A George Moss.

Q The benefactor of the employees?

A It went to the people, not the benefactor. I just owed them the money. They were my benefactors, just as well as I was theirs. I owed them the money. I was determined to pay it, whether it's comical to you or not, Mr. Levin-Epstein.

Q No, I don't feel it's comical.

A I'm sorry, sir, I just -- he just grimaces at me, makes it appear it's a big joke, which it wasn't.

MR. LEVIN-EPSTEIN: I don't believe so, your

Honor.

Q Mr. Moss, have you ever had any dealings with an organization called the Strathmore Auto Body, Inc.?

A Beg your pardon?

Q Strathmore Auto Body, Inc.

Have you ever heard of them, sir?

A I don't know. I don't recall.

Q Search your recollection, take your time.

A I don't recall the name Strathmore.

Q Would it refresh your recollection, sir, if I told you that you signed the name of Floyd Moss, paid two checks of the American Identification Products Company to the Strathmore Auto Body, checks totalling $710.00 on February 27th, of 1972; would that refresh your recollection sir?

A No.

Q If I show you the checks would it refresh your recollection?

A It might.

Q I show you two checks. I ask you do these checks, two documents, refresh your recollection, sir?

A No, they don't, sir.

Q Have norecollection of that?

A No, I don't have any kind of recollection.

Q Do you know deny that is your signature?

A I don't deny that.

Q Do you deny you made out the name Strathmore Auto Body in your handwriting?

A No, that's not my handwriting. That's Mrs. Wallach's.

Q You signed it?

A I signed it.

Q You know anybody by the name of John Smith, President of that organization, sir?

A No.

Q You have no knowledge of that whatsoever?

A I have no knowledge.

Q Did you ever have any automobiles belonging to yourself or the company repaired at Strathmore Auto Body, sir, such as a Buick; does that refresh your recollection?

A Can I see it again?

(Mr.Levin-Epstein approaches the witness.)

Q Is your recollection refreshed now, Mr. Moss?

A Not particularly. I have the Buick. You asked me if I had a Buick, yes. I had a Buick, yes. There's no question about that.

(continued next page)

Q Would it refresh your recollection, sir, if I told you that at Stafford nobody has ever heard of John Smith, President? Would that refresh your recollection?

A No, sir. I don't know Stafford Auto Body.

Q Do you know a man named Joseph Damiani?

A No.

Q You freely and clearly acknowledge at this time that every signature of Floyd Moss that appears in this case is your own, is that correct?

A I acknowledge that, yes.

Q There is no doubt about that in your mind?

A No.

Q Would you care to explain to the jury how it came to be that even though there was no secrecy involved, you have checks signed Floyd Moss made out to George Moss on American Identification's account? Would you care to explain that to the jury?

A Certainly. I would be very happy to explain it.

Q Go ahead.

A These are payroll checks, one to me and one to my son.

Q One is made out to your son?

A Yes. They are made out by Mrs. Wallach.

Q Who signed it?

A I did.

Q What name did you sign for the one made out to your son?

A Floyd Moss.

Q What name did you sign the one made out to yourself?

A Floyd Moss.

As I said before at all times. I signed all the payroll checks Floyd Moss.

Q When there were checks, right?

A No, American Identification payroll checks.

Q There were times, however, when payroll was paid in cash?

A No, not American Identification.

Q Not American Identification?

A No. You are just incorrect, sir.

Q And so everytime you signed the name Floyd Moss, that is your signature? Is that right?

A Yes.

Q No doubt about that?

A I would say 99.9 percent of the time.

Q What isthe other .1 percent?

A I don't know. I could have been when Floyd first came to the office and was in the office a few days before he took ill. He did sign some checks and some documents. But I took over everyone thereafter. I signed all the checks with his name.

Q On December 21, sir, of 1972, did you swear under the penalties of perjury that the American Identification Products Company had not done any business in the State of New York before that date? Yes or no.

A Let me see it.

Q Did you swear to that, sir? Yes or no.

A I don't know unless I see it. I don't know.

Q You don't remember any of that?

A I don't remember.

Q I show you a document marked Government's Exhibit 78 for identification and I ask you to direct your attention to where I am pointing.

Is that your signature, the name Floyd Moss?

A I signed that. Yes, I did.

Q Does it refresh your recollection?

A It refreshes my recollection that I signed it. If you let me see the rest of it I will give you the answer.

Q Your recollection then is not refreshed as to the oath that you took?

A I just saw the name there. I didn't see anything else.

MR. LEVIN-EPSTEIN: I offer it in evidence, your Honor.

THE COURT: Let him see the document.

THE WITNESS: Yes, I signed this.

Q And you swore on that, didn't you, sir?

A It says application for authority.

MR. LEVIN-EPSTEIN: I know what it says, Mr. Moss. It is not in evidence yet.

THE COURT: The question is, did you --

THE WITNESS: No, I do not see any swearing on this, sir.

MR. LEVIN-EPSTEIN: I offer it in evidence your Honor.

MR. TAIKEFF: No objection.

THE CLERK: Government's exhibit 78 marked in evidence.

(Document referred to having previously been marked Government's exhibit 78 for identification was now received and marked Government's Exhibit 78 in evidence.

MR. LEVIN-EPSTEIN: With the Court's permission--

THE COURT: Yes.

MR. LEVIN-EPSTEIN: Ladies and gentlemen, Government's exhibit 78 in evidence is a certified copy of a document obtained from the State of New York. It reads and is entitled"Application for Authority of American Identification Products, Inc. under Section 1304 of the Business Corporation Law -- pardon me,-- " Pursuant to the provisionsof the New York Business Corporation Law, the undersigned corporation hereby applies for authority to transact business in New York andfor that purpose submits the following . . ."

Mr. Simon I will provide this to you after I am finished reading it -- "The name of the corporation is AMERICAN IDENTIFICATION PRODUCTS, INC.

"It is incorporated under the laws of Maryland.

"The date of its incorporation is September 5, 1972.

"That the business which is proposes to carry on within the State of New York is as follows: . .." and then it speaks in general terms -- I will paraphrase -- of the marking business and maintaining of offices within the City of New York, and so on, And as to that you may read it for yourselves if you deem it necessary.

Paragraph "9. Since the date of its incorporatio the corporation has not engaged in any activity in New York.

"10. The corporation hereby appoints CT Corporation System . . . " to receive process if it is to be served.

"IN WITNESS WHEREOF, AMERICAN IDENTIFICATION PRODUCTS, INC., the corporation hereinbefore mentioned and described has caused this certificate to be signed in its name by its President this 21st day of December, 1972, and the statements contained therein are affirmed as true under penalties of perjury" signed Floyd E. Moss President."

Q You signed it?

A Yes.

Q You affirmed it, didn't you?

A Yes, I affirmed it.

Q But you didn't swear?

A Well, I am not arguing with you there.

Q Did you consider that to be perjury, Mr. Moss?

A No, that is a form and I didn't consider it.

Q Do you consider it to be a lie?

A No, that is not a lie.

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Q Is it the truth?

A It's the truth.

Q And so before December 21st --

(continued next page)

THE WITNESS: Let me correct my answer --

Q (Continuing) -- pardon me. Before December 21st of 1972, to quote you in paragraph 9:

"Since the date of its incorporation, the corporation has not engaged in any activity in New York."

Right or wrong?

A We said that but it was only for a special purpose I think that was filled out.

Q Was the purpose to mislead the State of New York?

A No, no, not at all. We paid our taxes.

We paid our business taxes and the sales taxes and every other tax we had to pay. There was no attempt to mislead anybody and no one was misled. The State of New York was not misled because we conducted our business -- and met all the obligations we had to the State of New York.

MR. LEVIN-EPSTEIN: One moment, your Honor.

(Mr. Levin-Epstein examines documents.)

Q Mr. Moss,

THE COURT: Are you going to be some time longer?

MR. LEVIN-EPSTEIN: I am sorry, your Honor?

THE COURT: Are you going to be much longer?

MR. LEVIN-EPSTEIN: Oh yes.

THE COURT: I think we will recess now ladies and gentlemen till tomorrow morning at 10 o'clock. I will ask the attorneys to be here at 9:30. Do not discuss the case.

(The jury thereupon retired from the courtroom at 4:30 o'clock P.M.)

(The following discussion took place at the Bench between the Court and counsel.)

THE COURT: I am going to address my remarks to Mr. Taikeff. I do not normally do this in a criminal case because I do not normally involve myself in a criminal case. But I wonder whether you ought not to have a talk with your client --

MR. TAIKEFF: About a disposition or something like that?

THE COURT: Yes.

MR. TAIKEFF: Well, I certainly will. And I appreciate your Honor's concern.

THE COURT: I am not trying to put any pressure--

MR. TAIKEFF: I accept it that way.

THE COURT: You must tell him that I am not -- I am just trying to do what is in his best interest. I have never had a witness confess perjury on the witness stand before.

MR. TAIKEFF: I do not accept your Honor's remarks in any way other than a real concern for the defendant's future. I do not feel any pressure. I want the record to be clear. I think it is a sincere effort on the part of the Court. And I accept it that way. And I thank the Court.

THE COURT: I am not making a suggestion as to what may be the outcome regardless of which route he takes either. I am just saying -- I just think it is something that perhaps you ought to discuss with him. And I do not think you ought to draw any inferences from my suggestion.

MR. TAIKEFF: I don't.

I truly appreciate the Court taking this position.

And I want to inform the Court that Mr. Gartner was scheduled to be in my office at 5, sir, and there was a possibility of testifying tomorrow. I think it would be possible for us to have a conference between Mr. Moss, Mr. Gartner, Mr. Engelstein and myself. And I will follow your Honor's suggestion.

MR. LEVIN-EPSTEIN: I will be available at any time to discuss whatever input the Government must have into such a dispositional discussion.

THE COURT: Well, I don't want to go into it.

MR. LEVIN-EPSTEIN: No, I am just telling Mr. Taikeff.

THE COURT: Well, of course, Mr. Sherman is not part of this. I am not trying to make him part of this. Of course he will have to be aware of why I called the parties up here.

MR. SHERMAN: Your Honor, there was a certain reason that we move completely to sever our client in the case.

THE COURT: I understand a little more clearly now what you are talking about.

MR. SHERMAN: Frankly, your Honor, at this point --

THE COURT: No, I am not talking about disposing of it in the way you are thinking. Bear in mind I am not passing judgment on the issues with respect to your client which may or may not have to go to the jury. I don't know. It depends on everything else that comes out.

MR. SHERMAN: All right. But you know somewhat apart from that we felt that theevidence that came in before was prejudicial to our client. We think the jury has heard this evidence --

THE COURT: I donot think it hurt you. You may think so, but I do not think so. But it is hard to tell --

MR. SHERMAN: Individual involved -- the evidence puts him in a very small piece of the case. But you now have questions raised as to perjury and other things, violation of the New York Statute, perjury on four or five different documents. Oral perjury in this Court and before a bankruptcy judge.

THE COURT: But at the same time I think by and large it absolves your client so it has not been all that harmful from your standpoint. But it is not my job to pass on that part of it.

MR. TAIKEFF: I hope that I am properly mindful of all of the provisions of the amended rule 11 which encompasses now certain things with respect to the so-called plea bargaining process --

THE COURT: I am not getting into that.

MR. TAIKEFF: I know the Court may not participate--

THE COURT: I am not by this conference even suggesting it.

MR. TAIKEFF: Your Honor, I am indicating to your Honor that I am aware of what's going on in the courtroom. And I think your Honor has made a valid suggestion to me. But I have to ask your Honor a legal question and it obviously falls under the umbrella of plea bargaining. It has nothing to do with the Court's involvement with the plea. I just wanted to know whether your Honor is amenable as a general proposition to oppress in admitting factual conduct and taking a plea in the spirit of Alfred against North Carolina.

MR. LEVIN-EPSTEIN: I am not getting involved in such a plea--

MR. TAIKEFF: Then that resolves theissue.

THE COURT: Ok.

We will adjourn to tomorrow morning.

MR. TAIKEFF: Thank you, your Honor.

(Thereupon, at 4:35 o'clock P.M. an adjournment was taken to Thursday, December 16, 1976 at 9:30 o'clock A.M.)

* * * * * * * * * * * * * * *

(Jury enters the courtroom)

7 THE COURT: Good morning, ladies and gentlmen.

MR. LEVIN-EPSTEIN: Might I proceed, your Honor?

THE COURT: Please do.

MR. LEVIN-EPSTEIN: I as Mr. Moss to take the witness stand, your Honor.

GEORGE MOSS, called as a witness having been previously sworn by the Clerk of the Court, further testifies as follows:

(George Moss resumes the stand)

CROSS-EXAMINATION

BY MR. LEVIN-EPSTEIN (Cont'd):

THE CLERK: The witness is reminded he's still under oath.

THE WITNESS: Thank you, sir.

MR. LEVIN-EPSTEIN: Good morning, ladies and gentlemen.

Q Good morning, Mr. Moss.

A Good morning, Mr. Levin-Epstein.

Q Mr. Moss, would you look at Government's Exhibit 82, four checks which you identified yesterday as having been made out to John Maxwell.

(Handing to witness,

Tell the jury, if you can, where those checks were cashed?

A They were cashed at H & S Check Cashing.

Q In fact, that is the same place where the Surless checks were cashed, wasn't it?

A Yes.

Q The same place where the Sperry checks were cashed?

A Yes.

Q All the Sperry checks?

A No, just those three.

Q I meant the checks in evidence.

This is the same H & S cashing that your friend Stanley Laxer, was the owner?

A Mr. Laxer was the owner.

Q Do you dispute my characterization of him as your friend?

A No.

Q It was in fact your practice on many occasions to cash checks at H & S?

A Yes.

Q In that way you obtained cash or currency for checks wich otherwise would have to be negotiated through a bank; is that correct?

A Yes, to pay the people or the obligations of the business.

Q Mr. Moss, are you familiar with Government's Exhibit 52 in evidence, a check made out to the Hertz Company?

(Handing)

A Yes, I am.

Q That check is signed by your wife, is it not?

A Yes, that's right, yes.

Q On the Galgan Realty account?

A Yes.

Q What is the date on that check?

A August 10th, 1972.

Q If you please, Mr. Moss, might I finish my question so the reporter can get every word?

A Yes.

Q August 10th, of 1972; is that correct?

A Right.

Q That is two days before the rental of that truck on August 12th?

A I believe that is it.

Q I show you Government's 51, and I ask you, again, if that check was issed two days before the rental of that car on August 12th; is that correct?

(Handing)

A Yes, it is, sir.

Q There is no doubt in your mind that that check was used as a deposit for that truck; is that correct?

A That's correct.

Q So on August 10th of 1972 you, yourself or throug your wife, arranged for the rental of that truck two days ahead?

A We arranged for that, yes.

Q Isn't it a fact, sir, when you arranged for the rental of that truck it was prior to the time that you were adjudicated a bankrupt on August 10th?

A No.

Q It occurred afterwards?

A Yes.

Q Is it a fact, sir, that as soon as you were adjudicated a bankrupt, you wnet right out to Hertz and arranged for this truck to be rented?

A No, that is not quite so.

Q Tell us the time sequence, Mr. Moss?

A All right, fine.

I heard on the morning of the 10th, we were adjudicated. I was desperate to see if there was some opportunity to secure funds for the Bankruptcy Court so in some way we could get the referee either to vacate his original decision of adjudication or possibly be overruled. I had gone to attorneys the day before. I had spoken to Mr. Goldhaber, with the hope possibly, he could help me. He said, "Well, if you can get funds for the Bankruptcy Court I'll do what I can for you, but I can't promise anything."

I then thought, "Well, my only chance would be to get a loan against my mother's house." I turned, again -- my thoughts turned to Herbert Garten --

Q Might I interrupt for a moment, Mr. Moss? Tell us what this please had to do with the rental of the truck on August 10th?

A Yes.

Q Briefly and to the point?

A The only way I could get a loan was to start cleaning out mother's house, moving all the funiture from the house, clean it out so I could convince Herbert Garten to get me a loan against the house so I could take the money, put it up in Bankruptcy Court and maybe get the Court, the Referee, to reverse himself. It was a wild hope but I thought I could do it.

I told my brother to arrange to rent a truck so we coudl start moving material, the furniture from Ocean Avenue to Long Beach. There is my idea.

Q You didn't use the blue -- I'm sorry, the yellow GMC truck, did you?

A No, we didn't, we used the yellow truck for the

GMC truck to move the material from the factory, dad's dies and tools.

Q Isn't it a fact you didn't use the GMC truck because you had every intention at that time of not telling anybody about the existence of that truck?

A No.

Q Isn't it a fact, sir, that as of August 19, 1972, when you had this wild idea, as you phrased it, that truck didn't even belong to you anymore, the GMC truck, at least according to this forged document, isn't that a fact?

A No, not at that time.

MR. LEVIN-EPSTEIN: I'm referring to Government's 81 in evidence, your Honor.

Q The truck didn't belong to you according to this forged document, is that a fact?

A On that day it did. The truck did belong to me. The truck was the company's truck at that time.

Q Even though, by affidavit, here, by your admission of three forged signatures, it was sold on March 17th, of 19 --

A That was done later.

Q Isn't that a fact?

A That was done later in the year. I back dated it, I'll explain why I did that.

Q You backdated this?

A Yes, I can explain that.

Q In fact, didn't you backdate it on December 6th of 1972?

A Yes, in December.

Q Isn't it a fact, sir, on December 6th of 1972, you came up with the idea of how to really hide these trucks by phonying up these affidavits?

A No.

Q And putting down dates?

A No.

(Continued next page)

Q Precisely four months before the bankcruptcy?

A No, sir. That's not so. I did that because I realized originally I didn't thing I had done anything wrong. Then I was questioned about the truck.

I thought well, they are going to misinterpret it. I became panicy. I just didn't know what to do because I felt I hadn't done a wrong thing in the first place.

Now it would look like it would be a wrong thing. I panicked and my absolute unreasoning, inability to think clearly, I started a spiral which got me into an impossible situation.

Q So, in fact, sir --

A I had originally thought nothing of moving the truck out there-- never occurred to me. I moved dad's material out there and I put it out of my mind, never meaning to defraud anyone and then suddenly I found out when I was questioned four months later that I would be accused of something that I had not done in ill faith.

Q So, sir -- ever --

A Out of desperation, stupidity, an effort to hide something which I shouldn't have attempted to do without realizing it; I just went ahead with this. I can explain the fact that at that time my son had taken ill again.

The business was back on my shoulders. I was thinking he would be helping me. I found myself overworked trying to get started and I found out something for me was innocent, from four months of before was no longer appeared to be that way.

Q Is the answer yes; is the answer to my question yes? You phonied up those documents to cover it up?

A I did it and attempted to cover it up in a stupid way.

Q The answer is yes, Mr. Moss?

A Yes, I did. I'm terribly sorry for the stupidity of it.

Q Please confine yourself to the questions I'm asking you. If you wish to make further explanation, I'm sure you'll have ample opportunity if it's deemed appropriate when Mr. Taikeff has the opportunity to ask you questions on redirect examination.

For now, please confine yourself to the questions I'm asking you?

A Yes.

Q So, Mr. Moss, it's a fact, is it not, that after you were questioned by the attorney for the trustee in bankruptcy, during the bankcruptcy proceedings, when you were confronted with the fact that you had hidden this truck, you then came up with the idea with your back to the wall, as it were of figuring out a means of euchring, phonying up documents to back up the perjury you committed in the Bankcruptcy Court?

A You are partially correct, not all correct. I didn't seek to hide the trucks.

MR. LEVIN-EPSTEIN: Your Honor, please?

THE COURT: Go ahead.

Q In component parts, did you phony up these documents?

A Yes.

Q In component parts, did you phony up this document after you were accused of hiding the truck, yes or no?

A No.

Q You were not accused of hiding the truck?

A No.

Q By the attorney for the trustee?

A No. I was asked about the truck. Either I had the alternative of abandoning it or taking it to the trustee and -- which is a mortifying thing to do or I felt well, I had already speant six to eight thousand dollars of my own money.

Q Mr. Moss, please try to confine the answers?

A I rationalized I was entitled to it. In my fright and panic I did what I did.

Q Can you understand what it means to answer yes or no?

A Yes, I do understand what it means. I have to explain it to you.

Q Answer yes or no if you can?

A If I can I will.

Q If you cannot answer --

MR. LEVIN-EPSTEIN: Your Honor --

Q Mr. Moss, please?

A I'll try, I really will.

Q If you can't answer a question yes or no simply say "I can't answer the question yes or no." I will either rephrase the question or withdraw it.

A Okay, sir.

Q You understand that?

A I understand.

Q Is there any doubt in your mind about what I'm saying?

A (No response)

Q Sir?

A I understand that you want me to answer yes or no when I can.

Q So, rather than come to the Bankruptcy Court and say "I made a mistake," you lied, not once, not twice, not three time, not four times, but at least eight times, not including the time that you lied under oath and perjured yourself before the Bankcruptcy Court; isn't that a fact?

A NO.

Q Yes or no?

A No, you are trying to make that --

Q Yes or no, Mr. Moss?

A No, no, you can't say eight times.

Q Thank you.

Mr. Moss, you testified on the other parts of your examination, both on direct and cross that the first time you ever heard that this forklift truck depicted in Government's Exhibit 7 in evidence was part of this case or a subject of this investigation, was in late 1975; is that correct?

A Yes.

Q Had you also testified that when you saw the truck at AIP during the e insuing months it didn't occur to you at all anything was wrong with that?

A Not at all.

Q Pardon me -- In June of 1975, there was an indictment filed against you; is that correct?

A No.

Q Beg pardon, June of 1976?

A (No response)

Q You remember being indicted?

A Yes.

Q You remember the day you appeared before this Court and the indictment was read to you, Mr. Moss?

A Yes, I do.

Q That was June 1 of 1976, was it not?

A Whatever it was.

Q Shortly thereafter?

A Sometime then.

Q It was on that day among other things, the counts with respect to the forklift truck were read to you and explained to you by your attorney; isn't that correct, sir?

A Yes.

Q You had counsel on that day, didn't you?

A Yes, I did.

Q And you knew exactly what you were charged with, didn't you, Mr. Moss?

A I knew what the indictment says.

Q You knew all about the fact this forklift truck was charged as having been concealed by you feloniously, illegally, right?

A I understood the charge, right.

Q Right, you knew that?

A I knew the charge.

Q Would you tell this jury what efforts you made if any after June 1 of 1976 to show that you had no knowledge about any felonious contact with this truck?

MR. TAIKEFF: Objection, he's asking him how he and his counsel prepared this case.

MR. LEVIN-EPSTEIN: No, I'm not, your Honor.

THE COURT: Sustained.

Q Tell us this, Mr. Moss: The date that you were indicted did you come to the FBI, say "look, this is the explanation of this truck"?

MR. TAIKEFF: That's highly objectionable. He has no obligation once he is indicted --

THE COURT: sustained, you don't have to argue. I sustained your point.

MR. TAIKEFF: I understand that. I'm trying to counteract the impact of the question.

MR. LEV[illegible]PSTEIN: I ask this be marked --

THE CO[illegible] I already instructed the jury the defendant does not have to produce any evidence and I'm going to reinstruct them to that effect in my charge.

MR. TAIKEFF: Thank you, your Honor.

MR. LEVIN-EPSTEIN: I ask this photograph be marked Government's next exhibit in sequence for identification.

THE CLERK: Government Exhibit 85, a photograph marked for identification.

(so marked)

Q Mr. Moss, how long were you in the business of making marking devices?

A I entered the business in 1939.

Q From 1939 until the present date, even as we sit here in Court you have been in that business continuously?

A Yes.

Q You are familiar with the machinery and equipment that's used in the functioning of that business?

A Generally.

Q Specifically, are you familiar with things that are sometimes being referred to in this case as a Benchmaster press?

A I know now quite well.

Q You didn't know before that?

A I knew there were presses. I understood the operation of presses, of course.

Q You know what a Benchmaster power press is, don't you?

A NOt specifically at the time when we got them but now I know. I don't pay attention to particular names of the presses.

Q I show you Government Exhibit 85 for identification, sir, ask you if you recognize what's depicted in that photograph?

(handing to witness)

A That's one of the presses in the plant.

Q Do you know what kind of a press that is, sir?

A It's a press.

Q Do you know that or is that something you've been told?

A I don't know it per se. I don't know it as such, except as I learned from the case.

MR. LEVIN-EPSTEIN: Offered in evidence.

MR. TAIKEFF: No objection.

MR. LEVIN-EPSTEIN: I assume Mr. Sherman there's no objection?

MR. SHERMAN: No.

THE CLERK: Government Exhibit 85, photograph marked in evidence.

(so marked)

Q Would you quarrel with me to use Mr. Taikeff's words, Mr. Moss, if I tell you that is a Benchmaster power press that was found in your plant, AIP during the course of an execution of a search warrant? That is a photograph of one of the bench presses found?

A I would not question that at all.

(said photograph handed to the jury)

Q Would you tell us, sir, based upon your knowledge of your plant, approximately how tall the machine depicted in that exhibit is?

A About -- the average press of that type is about five feet tall.

Q You recall, Mr. Seifer's testimony -- the testimony he removed were four and a half to five feet tall?

A He may have said that, that I dont recall.

Q You don't recall that?

A If he said it I don't question him, what he said.

Q That's not a drill press, is it?

A No, that's not a drill press.

Q That's a power press, isn't it?

A That's a power press.

Q Sometimes used for shaping or pressing metal, correct?

A Yes.

Q That's the Benchmaster that's described in the indictment, isn't it sir?

MR. TAIKEFF: Objection.

MR. LEVIN-EPSTEIN: The witness has already answered "yes".

MR. TAIKEFF: Objection to that particular question. There is no Benchmaster described in the indictment because the Government moved to amend the indictment.

THE COURT: That's right, but there is a press described.

MR. LEVIN-EPSTEIN: I'll rephrase.

Q Is that one of the presses described in the indictment?

MR. TAIKEFF: Objection to that question as well.

THE COURT: I'll overrule your objection.

Q Right, Mr. Moss?

A Well, if you describe a Benchmaster in the indictment, and that's in the plant that would be one of the Benchmasters described in the indictment.

Q So it is;the answer to my question is "yes".

A I don't think the Benchmaster --

MR. TAIKEFF: That's a highly objectionable question. It implies the truth of the contents of the counts when he says, "yes".

THE COURT: Thsi witness can answer the question.

MR. TAIKEFF: Your Honor, he may be a law school graduate; he's still my client. It's my job to protect his legal interests.

MR. LEVIN-EPSTEIN: I'm going to object~~ing~~ to the speech making. If there's an objection let him state the purpose and sit down.

THE COURT: Objection overruled.

Q Mr. Moss, these Benchmaster presses in your plant, they are not on benches, are they?

A No, they are not on benches.

Q They are on stands, aren't they?

A On pedestals.

Q Pedestals, pardon me.

They are operated, sir, are they not by people sitting in chairs sometimes?

A Yes.

Q Or by people standing in front of them, aren't they?

A (No response)

Q Sir?

A Yes.

Moss-Cross

Q You were questioned, were you not, by , by Mr. Taikeff on direct examination with respect to, I believe he said Count 11 and 12 respecting the documents, the new '72 registration of the vehicles; do you recall that, sir?

A Yes.

Q You said on direct examination, did you not, that you never had them in your possession, correct?

A Yes, sir.

Q Isn't that right?

A Certainly I never had them, never had it -- either one.

MR. TAIKEFF: That wasn't the question I put to him. I said except at the time he signed them, put his signature on.

THE COURT: I think he qualified his answer. That's for the jury to recollect, not you and me.

Q Government Exhibit 17, that's the registration for the truck, isn't it (handing) in Stafford's name?

A (no response)

Q Right?

A Yes.

Q You never had that in your possession, right?

A (no response)

Q Except when you signed it George Moss, President?

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A Yes.

Q Immediately after you signed that Mr. Moss, you of course forgot it existed, right?

A I dont recall I forgot it existed.

Q Is your testimony, you don't remember forgetting Mr. Moss?

A (no response)

Q What are you saying?

A I say I signed it. I would never keep possession of truck registrations.

Q In fact, sir, the regular practice of Stafford Manufacturing under your control was that Mr. Seifer would keep it, right?

A I don't know. I had nothing really to do with the registration whatsoever. I just sign them and that was it.

(cont'd on next page)

BY MR. LEVIN-EPSTEIN: (Cont'd.)

Q And forget them?

A I had nothing to do with them, really.

Q Mr. Moss , do you own an automobile?

A Yes, I do.

Q Do you own it?

A No.

Q Yourself?

A The company owns it.

Q Is that automobile registered to be driven on the streets of the State of New York?

A Yes.

Q Was that automobile registered by you or by somebody at your request?

A Yes.

Q Would you tell us who has the registration for that automobile?

A The registration for the automobile is -- I think it's in the automobile, in the glove compartment.

Q Who drives that car, sir?

A I drive it, my wife drives it --

MR. TAIKEFF: Your Honor, the witness is still answering the question.

MR. LEVIN-EPSTEIN: He may finish.

A Someone else may drive it in the business, pickup to be made.

Q In the normal practice you consider it to be "your car"?

A I would say so, yes.

Q So you -- would you say that you possessed that registration, sir?

A It's in the car.

Q Would you say that you possessed the registration?

A I don't question that.

Q No question about that.

So you know, sir, when an automobile is registered, there's got to be a registration for it, right?

A Yes, a private car. Every car has to be registered.

Q This doesn't come as any surprise tc you, does it?

A No.

Q Tell us, sir, did it come as a suprrise to you, as a revelation during the course of this trial, that the 1967 GMC truck had a registration; did that come as a tremendous surprise to you, sir?

A No.

Q Is this trial the first time that you ever heard that registration existed?

A No.

Q Is this trial the first time that you ever realized that registration might have to be turned over to the trustee?

A (No response)

Q Did that suddenly dawn on you, Mr. Moss, in this trial, yes or no?

A It didn't dawn on me at this trial.

Q In fact you knew it all along, didn't you, Mr. Moss?

A I didn't think about turning over the truck or the registration to the trustee. I didn't think about it when I used it.

Q In fact you thought about not turning it over, didn't you?

A I didn't think about it. It was no attempt to hide it or conceal it.

Q Thank you, Mr. Moss, you answered my question.

You testified on direct examination that your plant was closed from August 21st of '72 through August 31st of '72, is that correct?

A I think it was closed through Septmeber 6th, only in a sense that the appraisers were in charge and no one else was permitted.

A Nobody else was permitted in?

A No, I don't think so.

Q Not even you?

A I was there -- I think I just dropped by once. When I went there once they were taking-- I couldn't get in. They were unloading the file cabinets, sending them up to the accountants.

Q What about all the employees that were inside manufacturing things, weren't they in there during that perio of time?

A No.

Q What about all the employees that were packing products to be shipped out?

A No, we weren't working during that time.

Q You're sure of that?

A Not from late in August until September 6th.

Q There's no doubt in your mind about that?

A No, not on that point.

MR. LEVIN-EPSTEIN: Your Honor, may these documents be marked for identification as one group? I'll staple them together, if it pleases the Court. There are five documents.

THE CLERK: So marked as Government's Exhibit 86 for identification.

(So marked)

BY MR. LEVIN-EPSTEIN:

Q Once again, Mr. Moss, your absolutely sure that there was nobody in the plant?

A No sir, not permitted in the plant.

Q No business was transacted at Stafford during that period of time?

A No, sir.

Q Nobody was there doing work?

A Mr. Fein~~gold~~ told you no one was there. He himself said no one was permitted.

Q I'm concerned with what you say.

A No one was permitted.

Q Nothing was shipped out, right?

A No.

Q I show you Government's Exhibit 86 and I ask you if you acknowledge recognition recollection of those five documents.

(Handing to witness)

A(No response)

Q Did you ever see them before, sir?

A I don't know if I've seen them but I don't recognize them.

Q You don't recognize them?

A I seen them before, I see them here.

Q They are copies of the original documents ofthe Stafford Manufacturing Company?

A No, sir.

Q What company?

A Stafford Marking Company.

Q Might I have them back?

(Witness complies)

A Look at the dates.

Q You acknowledge them as business records of Stafford Marking?

A Yes.

MR. LEVIN-EPSTEIN: Offered in evidence.

(Handing to defense counsel)

(Pause)

MR. TAIKEFF: I have an objection.

THE COURT: You have an objection?

MR. TAIKEFF: Yes.

THE COURT: Step up.

(Side bar)

MR. TAIKEFF: That seems to be dated September 11th. The questioning concerns the period between August 21st and the end of the month.

MR. LEVIN-EPSTEIN: (Indicating)

MR. TAIKEFF: That doesn't say it was shipped from the plant. It shows a transaction originating in --

MR. LEVIN-EPSTEIN: I'm indicating for the record there is a portion where it says: Date - shipped August 23rd of '72.

MR. TAIKEFF: It doesn't say where it was shipped from.

MR. LEVIN-EPSTEIN: That's something you can bring out.

MR. TAIKEFF: Not relevant until you lay a proper foundation. You have a denial.

THE COURT: Objection overruled.

(Open court)

MR. LEVIN-EPSTEIN: Offered in evidence.

THE COURT: Received.

THE CLERK: Government's Exhibit 86, five documents, marked in evidence.

xxx (So marked)

BY MR. LEVIN-EPSTEIN:

Q Once again, Mr. Moss, you're absolutely sure that nothing of a business nature by Stafford Marking was done in the plant during the time it was closed?

A Of the plant.

Q Isn't it a fact, sir, on August 23rd, in exactly this period, sir, a shipment of goods was shipped out to the Reliance Marine Transportation and Construction Corporation by Stafford Marking, August 23, '72, sir, isn't that a fact?

A That's what it says, certainly, but it wasn't done in the plant.

Q Isn't it a fact, sir, on August 7th of 1972, a shipment was made by Stafford Marking to the Greenville Shipbuilding Corporation, sir, isn't that a fact?

A Not done in the plant, sir.

Q Where was it done, sir?

A May I take a look at the document?

Q Was it done out of Post Office Box L, Great Neck, New York, sir?

(Handing to witness)

A (No response)

Q Where was it done, out of your home in Great Neck?

A No.

Q Tell us where.

A During this period of time I purchased certain -- in order to keep my customers -- I purchased items from outside suppliers, engravers and name-plate people.

Q Mr. Moss, I asked you from where it was shipped, nothing more.

A We shipped it -- either we shipped it from Great Neck or we shipped it from a Post Office Box in Brooklyn.

Q In Brooklyn?

A Possibly, but not from the plant. It was not done at the plant.

Q This Post Office Box in Brooklyn didn't happen, by any chance, to be owned by your uncle --

A Not a Post Office Box, a Post Office in Brooklyn.

Q I'm sorry.

A I said we didn't ship from a Post Office Box in Great Neck. If I shipped it I shipped it either from Brooklyn, New York, possibly Great Neck, but from a Post Office.

Q Let us consider this step by step --

A A Post Office in Brooklyn.

Q When you shipped it from Great Neck, did you ship it from Grist Mill Road, the residential house on Long Island Sound --

A I want to correct that. There was a

Post Office Box in Grat Neck --

Q Post Office Box L?

A To receive mail, but not shipments. We shipped out, I'm quite sure, from Brooklyn, from the Brooklyn Post Office, not the box. There are any number of Post Offices in Brooklyn we used. That material was purcahsed from outside suppliers with my own funds, not related to the business.

Q Of course you have books and records to substantiate that?

A I'm sure it's on our records.

A Where are they, sir?

A I don't know at the moment.

Q Where would you have someone look --

A You must have taken the records. I have records of those.

Q Mr. Moss --

Q Stafford Marking I have records of the order.

MR. LEVIN-EPSTEIN: I'll represent to the Court, your Honor, every document I've obtained either from you or any other source is in the court.

Would you care to go and look for that?

A If we shipped them out I have the records on them.

Q Would you tell us where the records are, Mr. Moss?

A We must have orders.

Q Who should we call to get them, sir?

A I can look up the orders.

Q Who should we call so they can be gotten in the meantime?

A (No response)

Q Should we call Mrs. Wallach?

A If we still have the records we can call her.

MR. LEVIN-EPSTEIN: Perhaps a call can be made?

A I'm not denying we shipped them out but we didn't make them in the plant. We were closed down. We couldn't get into the plant. I tried to maintain my customers by doing the only thing I knew how.

Q I haven't asked you a question --

A By buying material --

Q I haven't asked you a question.

A I want to explain it to you.

Q Mr. Taikeff will have the opportunity as I've told you a dozen times. Do you have any difficulty with the English language?

A Some of your questions, sir.

Q If you don't understand my question, sir --

A You make inferences that aren't correct.

Q If you don't understand my question, simply say so, the jury will understand your having difficulty: "I don't understand the question".

A You're putting everything in an unfair light.

Q Mr. Moss, I haven't asked you a question, sir.

A No, sir, but I feel constrained to tell you.

MR. LEVIN-EPSTEIN: I'll ask the Court to instruct the jury once again, none of this is relevant, should be stricken, disregarded.

THE COURT: Strike it out.

Q Mr. Moss, you testified on direct examination that the materials which were removed from 145 58th Street in August of 1972, were solely and exclusively your personal property which you had inherited from your deceased father, is that correct?

A That's right.

Q No doubt about that?

A No doubt.

Q No question about that?

A No question.

Q In fact, Mr. Moss, did you ever tell anybody else prior to today, any different story about that material?

A (No response)

Q Did you ever tell anybody something else?

A (No response)

Q Sir, my recollection -- I don't know --

Q Is there anything that would refresh your recollection?

A No.

Q You're sure?

A You have something [illegible] show me?

Q Is there anything else that you can think of to refresh your recollection, Mr. Moss, perhaps a letter or anything you like?

A Unless you show it to me I wouldn't know.

Q Isn't it a fact, sir, on a prior occasion you told somebody when questioned about those materials that nothing was ever removed from that plant prior to adjudication, isn't that correct?

A I meant nothing of Stafford, nothing of Stafford Manufacturing Company.

Q Mr. Moss, you recall testifying in the bankruptcy court on April 5th of 1973?

A If I did. I don't recall the date but if you have it there, I testified.

Q Under oath, sir?

A Yes, under oath.

Q Do you recall being asked these questions and giving the following answers, sir? I'll read a series of questions and answers. If you just simply say yes or no at the end, we would appreciate it.

"Question: Now, prior to your adjudication -- when I say "your" I mean Stafford, of course -- did you remove any property at all from the premises?

"Answer: No sir."

A That's right, no sir.

Q "Question: Was any property removed at any time from the premises by anyone?

"Answer: Working for Stafford?

"Question: Well, either working for Stafford or not working for Stafford.

"Answer: No, the only property removed was the property removed by the sale."

Did you give that answer to that question?

A Yes, I did.

Q "Question: So that when the bankrupt was adjudicated, everything that was originally on the premises remained on the premises, right?

"Answer: At that time, yes."

A Belonging to the bankrupt.

Q You didn't tell them that, did you?

A I had no intentions. That was none of anybody's business. That was a purely private affair and no one was entitled to know that.

Q Including --

A No one, no one, sir.

Q -- Mr. Moss, would you please wait for my question? That includes, in your opinion, somebody who asked you specifically was any property removed at any time from the premises by anyone and you took the position, sir, that that was nobody's business under oath?

A They were only making reference to Stafford property.

Q You perjured yourself again?

A I did not. Just because you yell at me that doesn't make it so. I did not. They only were questioning me about Stafford Manufacturing property, that was the import of it.

Q Mr. Moss, in light of the answer you've just given, did you ever at any time give anybody in the Bankruptcy Court or anybody for that matter a different explanation of how this property came away from Stafford than you gave here in court under oath? Yes or no.

A I didn't discuss it with anybody or didn't ask, because it was not the purpose of the request.

Q Thank you.

A They merely wanted to know about Stafford Manufacturing property any more than I moved my own clothes.

Q Were you asked this question and did you give the following answer, sir:

"Question: Do you recall that there was on the premises at the time you executed a lien to United Credit and FCM Model 33 Electromatic Copy?

"Answer: I don't recall. It might well have been, sir.

"Question: Was that taken out?

"Answer: No sir.

"Question: Do you know where it is now?

"Answer: No, I don't know anything about it."

Were you asked those questions and did you give those answers on April 5th of 1973?

A If the question was there, I answered it.

Q The answer is "Yes"?

A Yes, I answered the question.

Q "Question: Do you know that it was not included in the auction sale held by Mr. Fein?

"Answer: I do not know that at all."

Did you give that answer?

A If that's it.

Q "Question: Do you recall Stafford owning that item?

"Answer: I recall that Stafford had a copier. I don't know which model it was. I also believe that a copier was sold at the sale, but I'm not sure."

Did you give that answer to that question?

A Yes.

Q "Question: Did Stafford own an IBM typewriter?

"Answer: Stafford owned IBM typewriters, yes, at one time."

Did you give that answer to that question?

A Yes.

Q Please, Mr. Moss, as I read say yes or no as we go through the questions to save time.

"Question: Can you tell us what happened to the IBM typewriter?

"Answer: I don't know anything about that, sir. I thought they were sold at the sale. I do not want you to know that once the Fein organization took over Stafford had nothing to do with it. I also want you to know that when they took over, different times I noticed them passing the factory that the doors were open."

Did you give that answer, sir?

A Yes, I did, in passing the factory.

BY MR. LEVIN-EPSTEIN:

Q Did you give this -- were you asked this question and did you give this answer?

"Question: I show you a schedule of equipment not on the premises as of the date of the sale prepared by Martin Fein and Company, Inc., which I ask you to look at and tell me whether you have any knowledge with respect to any of the items on this schedule, as to what happened to each of these items?

"Answer: I'm not familiar with a number of those items, sir, and I don't know. As far as -- I don't know where they are or what happened.

"I do know that the plant had been left open at different times before and well before --

"Question: What do you mean left open? By whom?

"Answer: Well, there were crews working in the plant prior to the sale, prior to the adjudication.

"Question: Whose crews?

"Answer: Stafford."

Did you give those answers to those questions, sir?

A Yes, I did.

Q Isn't it a fact, sir, that the purpose of your statements there were to impress upon the Bankruptcy Judge, while you were under oath, that there was probably a theft of those things?

A There were thefts. During the --

Q Isn't that your explanation of why those things occurred, a theft?

A There were thefts, I want you to know, and pilfering on a continuing basis.

Q You reported all of this pilferage to the police?

A Have you ever tried reporting pilferage?

Q Yes or no?

A On many occasions.

Q You did?

A On occasions, we reported thefts and some pilferages we couldn't report because we found it a day or a week later. We had some disaffection and little objects kept on walking out.

Q A question --

A Every plant has that.

Q The question --

A I can't help that.

Q "Question: Were any of these theft s reported to the police?

"Answer: No. There were thefts, I know, during the course of the years but not reported."

Did you give that answer to that question?

A We did report some thefts and we didn't report others. At some times we didn't find out about them until weeks later.

Q Did you report it when the GMC truck was stolen?

A The GMC truck wasn't stolen.

Q Wasn't it?

A No sir.

Q Did you report it when the 1969 Chevy station wagon was stolen?

A The Chevy station wagon was not stolen.

Q Did you report it when the Benchmaster presses were stolen?

A The Benchmasters were not stolen.

Q Did you report it when the money was stolen from the creditors of Stafford?

A The money was not stolen from the creditors. The money was given to the creditors.

Q And every creditor of Stafford, of course, has been paid off by you?

A No.

no?

A I would say during Chapter XI I was responsible for the running of the business.

Q During Chapter XI but not after Chapter XI? I'm not asking you who is responsible for the running of the business, Mr. Moss. I'm asking you specifically, do you fully and freely acknowledge that you personally had the -- the obligation of fulfilling the duties of a bankrupt; yes or no?

A That's why I did what I did.

Q Yes or no?

A Yes.

Q And is one of the duties of the bankrupt to give the trustee all the property, sir? Yes or no?

A Yes, yes.

Q And you didn't; did you? Right?

A I gave the trustee a lot of money.

Q But not all?

A I gave them $8,000.

Q Not --

A Out of my own money that I worked for. A better situation than they would have gotten if he had the old darn truck and sold it.

MR. LEVIN-EPSTEIN: Mr. Reporter, would you read back my last question to the witness? Apparently, he doesn't understand it.

(Record read.)

Q Yes or no?

A I can't answer that that way.

Q Mr. Moss, did you ever receive any checks made out to Stafford Manufacturing Company after August the 10th of 1972; yes or no?

A Yes.

Q Are you sure of that, sir?

A Yes.

Q Those are the checks that we've had marked in evidence; aren't they, sir?

A Yes.

Q Which you freely acknowledge cashing; right?

A Yes.

Q Did you ever tell anybody on a prior occasion that you had never received any checks made out to the Stafford Manufacturing Company after August 10, 1972, sir? Did you ever tell anybody that before?

A It's possible I did, yes.

Q Well, tell us, sir, when you told them that then, were you lying then or are you lying now?

A You know I'm not lying because how because I'm telling you whathappened.

Q You're freely acknowledging that this is the truth?

A I told you that I received checks of Stafford Manufacturing Company.

Q I see, sir.

A I thought I had a higher duty by paying the people.

Q Thank you, Mr. Moss, I didn't ask you.

Were you asked the questions that I am about to read to you and give the following answers, sir, under oath before the Bankruptcy Court under pains and penalties of perjury on November the 15th of 1974?

"Question: So you're not aware that you received any checks for Stafford Manufacturing after --

"Answer: I don't know. If you refresh my recollection, maybe I can give you an answer.

"Question: Did you do business with F.& M.H. Manufacturing Company at 745 Old Willis Path?

"Answer: I don't recall. What year are you referring to?

"Question: 1973.

"Answer: We may well have. F & H? Old Willis Path where?

"Question: Pardon me?

"Answer: Old Willis Path where?

"Question: Hauppauge.

"Answer: I think we made some nameplates for them in 1973.

"Question: You made some nameplates?

"Answer: Yes .

"Question: Now, American Identification.

"Answer: Or Stafford Marking, or using the name Stafford Marking, but American Identification Products.

"Question: Using the name Stafford Marking?

"Answer: Right.

"Question: And the check you received was deposited in the American Identification account?

"Answer: Yes.

"Question: Did you do any work for Western Electric in 1973?

"Answer: Yes, different phases of Western Electric."

So far did you give these answers to those questions?

A Yes.

Q "Question: The Gofford Center in Greensboro, North Carolina?

"Answer: I think some years, yes, we've done in the last year or so, the last two years or so.

"Question: Would you have done business with them under the name of Stafford Manufacturing, Stafford Marking?

"Answer: In '73 it would be Stafford Marking. Excuse me. Late '72, '73 would be Stafford Marking.

"Question: Stafford Marking. And you're sure there was never any confusion between Stafford Manufacturing and the Stafford Marking?

"Answer: I didn't say that, lady. I just said to the contrary; I said there was.

"Question: On the part of the people who were sending checks?

"Answer: And there was -- we attempted to straighten it out. And I think if you're referring to a -- now, if I recall, one Western Electric matter, it was called to my attention and we -- it was corrected and the payment was made to Mr. Schneider for money -- I think it was incorrectly received from one Western Electric order, which I think predated the adjudication, predated the adjudication and -- I don't know whether we partly made it afterwards or partly before, and Mr. Schneider made comment about it, and I finally decided that I didn't want any problems or any confusion, so I paid money to Mr. Schneider totaling the money received for Stafford Manufacturing, so it would not become an issue. I totally paid the money to Mr. Schneider, totaling the money received from Stafford Manufacturing."

Were you lying under oath at that time?

A No, I was not lying under oath. I was talking about Western Electric, just as you have it there. Don't try to put anything else in it.

He was referring to Western Electric and we did make a shipment to Western Electric afterwards as well and there was confusion about it. So I immediately, when Mr. Schneider called it to my attention, paid him back on Western Electric, even though I felt that Stafford Marking had made a replacement and should have been paid that money.

Q Tell me, Mr. Moss, if you were so concerned about confusion, if you were so concerned about errors being made, did you think, anywhere in the recesses of your mind, that you might possibly be doing the most prudent thing by going to the trustee or to the Court and saying now listen, this money is mine? I'm going to keep it? What do you think?

Did you ever do that once, sir; yes or no?

A If the money was mine?

Q Yes or no?

A I didn't tell them.

Q Thank you.

A But if --

Q Thank you.

A If the money wasn't mine, I explained --

MR. LEVIN-EPSTEIN: Your Honor, I ask the jury disregard the entire thing, except the answer "no."

THE COURT: Except for the negative response, strike the balance.

Q Mr. Moss, on direct examination did you testify as to the first time that you ever used the phrase or name or anything like it Stafford Marking?

A Yes.

Q When was that, sir?

A I said early in September, around early September, 1972. On or about the time of the American Identification was formed.

Q Of course, Stafford Marking, according to your testimony, was created, the name was created for purposes of being a division of American Identification Products; correct?

A It was in effect that, yes.

Q In fact, Stafford Marking, according to your

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testimony, was created solely for the purpose of allowing your customers a like name for the interim of business, after Stafford Manufacturing went bankrupt?

A That's right.

Q And before AIP began doing business on its own?

A No. We've continued to this day, like Mr. Massa told you, of coastal, we ship him under Stafford Marking. We sell Sperry under Stafford Marking. We continued the name with many of the older customers.

(Continued next page.)

Q So its fair to say, sir, isn't it, that nothing was done in order to create Stafford Marking or do anything to further it's existence prior to that time, correct?

A On or about that time, yes.

Q Mr. Moss, -- I ask that this document be marked Government's Exhibit next in sequence for identification.

THE CLERK: Government's Exhibit 87, document.

MR. LEVIN-EPSTEIN: Other side, please.

THE CLERK: Marked for identification.

(So Marked.)

Q Mr. Moss, isn't it a fact, sir, that contrary to your testimony before this jury under oath, in fact, you used the word Stafford Marking and planned the existence of Stafford Marking and created opportunities and instrumentalities for the existence of Stafford Marking not in September, sir, but contrary to that, as early as July of 1972? Isn't that a fact, sir?

A I don't recall. July? If you show it to me I'll look at it and explain.

Q What do I have to show to you?

A You asked me a question. As far as I remember, it was late August or early September, 1972.

Q No doubt in your mind about that?

A I don't believe so.

Q You didn't contemplate a bankruptcy before August 8th, right?

A I certainly did not.

Q Mr. Moss, isn't it a fact that you recognize recollect and acknowledge your signature sitting on that document? Yes or no.

A That was 8th, 9th --

Q Yes or no, Mr. Moss.

A Yes, I recognize recollect it.

Q Thank you. Offered in evidence.

MR. TAIKEFF: No objection.

MR. SHERMAN: No objection.

THE CLERK: Government's Exhibit 87 --

THE COURT: May I see it, please?

THE CLERK: Marked in evidence.

(So marked.)

MR. LEVIN-EPSTEIN: Is it marked?

THE CLERK: Yes, sir.

MR. LEVIN-EPSTEIN: Ladies and Gentlemen, Government's Exhibit --

Q Mr. Moss, do you acknowledge that's your signature on there?

A That's my signature. Can I see it for just a moment?

MR. LEVIN-EPSTEIN: Ladies and Gentlemen of the jury,

MR. TAIKEFF: Your Honor, may the witness see it? He asked to see the document so he can be sure of his answer.

THE COURT: Yes. But --

THE WITNESS: I want to see it, sir.

THE COURT: He's already examined it.

THE WITNESS: But I want to see it one more time.

MR. LEVIN-EPSTEIN: I'll be happy to show it after I read it to the jury.

THE COURT: He's entitled to read it.

MR. LEVIN-EPSTEIN: Ladies and Gentlemen of the jury, Government's Exhibit 87 is a document titled -- well, it's not entitled but it reads as follows: "For Post Office use only," and it goes on, "Applicants," and it's an application for a Post Office Box. It reads as follows, "Name of applicant, George Moss. Name of firm or corporation, Stafford Marking Company, Inc. Kind of business, identification and marking items. Address, business address, 130 Grist Mill Lane, Great Neck 11023, telephone number 482-4928."

It says here, "Date box opened, 8/9/72. Date box closed, is indicated, 12/31/75. Box L. Signed, George Moss. Date of application, July 29, 1972."

Q Now you may look at it to your heart's content.

A Thank you.

Q And so, Mr. Moss, it's a fact, is it not, that as early as July 29, '72, you were preparing for this bankruptcy?

A No.

Q That you --

A No it wasn't. Let me explain it to you.

Q No. Mr. Moss, Mr. Taikeff can ask you the question. We'll save some time. Go ahead. Let's hear your explanation.

A You see I put down 489-4928. That was our telephone number at home. For the longest time throughout the years, I've been in mail order business and my wife wanted me to do some mail order work. We had -- we had made dog tags and items of that sort. And being a salesman, being in sales, this idea always appealed to me. It so happened that on or about that time, I decided it would be nice to go into the market -- to go into the mail order business. I've been in and out throughout the years.

Now, if you notice, we did apply. With all my pressures in business, I'm always looking for business. And I did consider going in, originally opening the box for this purpose and trying to get some mail order work. But it didn't work out that way. Because when the adjudication came, I had to spend all my time and I had to abandon the idea. I always had the idea.

Q So, Mr. Moss --

A I had no intentions by the way, I was in business until August 8th. I had no knowledge, no intention or no preconceived notion that I'd ever go out of that business. I thought sure I'd remain in it.

Q And so, Mr. Moss, with your business folding around your ears, your father's business of over a hundred years, collapsing around your very ankles, you decided that you'd capitalize into a new business, right?

A No, I didn't decide on capitalizing. August 8th was the first time I knew it was -- faced with the bankruptcy.

Q It's, of course, just a coincidence, isn't it, that the date the box was opened was the day after the hearing and the day before the adjudication, right?

A That we opened the box then, yes.

Q Just a coincidence?

A We used the box for our regular nameplate work. Obviously from the ten days before I couldn't go into mail order. That was another one of my dreams that went --

Q Isn't it a fact when you applied for this you also lied, sir?

A I don't think so.

Q You don't think so or are you not sure?

A I don't think I lied.

Q You don't think? Mr. Moss, do you have your driver's license in your pocket?

A Yes.

Q May I see it, please?

A Yes.

Q If I may briefly? Mr. Moss, could you explain to the jury, please, how it is that your driver's license identification number doesn't look anything like the driver's license identification number you used for identification on that application, sir?

A I have no idea. That driver's license was my driver's license at the time.

Q Mr. Moss, would that ~~will~~ Still be your testimony if I show you and suggest to you that by certified copy I can prove to you that that driver's license number doesn't belong to you, never belonged to you, but instead is Lenore Moss, your wife's?

A So what?

Q Thank you, Mr. Moss. Lenore and I are the same.

We're one.

Q In that place?

A Yes we are.

Q Who is on trial in this case, Mr. Moss?

A I am.

Q Thank you.

A But nothing wrong by using Lenore's identification. I don't consider that wrong at all. She's my best friend.

Q And you also don't consider forgery to be wrong, do you? Right? And you also don't consider perjury to be wrong, do you? Right?

A That proves that we're in business together.

MR. LEVIN-EPSTEIN: No further questions. Thank you.

THE WITNESS: The mail order business, Lenore and myself.

MR. LEVIN-EPSTEIN: No further questions.

CROSS-EXAMINATION

BY MR. SHERMAN:

MR. LEVIN-EPSTEIN: Wait. I'm sorry, your Honor. If I may have, I just have one or two others. Pardon me, Mr. Sherman. Mr. Sherman reminded me.

(Continued on next page.)

CROSS-EXAMINATION

BY MR. LEVIN-EPSTEIN: (Continued.)

Q Mr. Moss, you testified before during cross-examination that conversations that you had with Arnold Rubin did not relate to the financial difficulties or straights that Stafford Manufacturing found itself in?

A I never --

Q According --

A Big discussions.

Q According to your recollection of these conversations and discussions, Mr. Rubin knew nothing of the financial condition of Stafford, is that correct?

A Well, I think --

MR. SHERMAN: Objection.

MR. LEVIN-EPSTEIN: According to his recollection of his conversations --

MR. SHERMAN: No. Objection. He's asking for --

THE COURT: No.

MR. SHERMAN: The knowledge in this man's mind -

THE COURT: I'll have to sustain that. That's not quite what he said.

MR. LEVIN-EPSTEIN: I'll rephrase it.

Q Isn't it a fact, Mr. Moss, that when all of these checks that you discussed were taken out and being cashed, that Mr. Rubin acted on your behalf, also took checks and cashed them in various locations so that you could get currency, isn't that a fact, sir?

A He went to the bank.

Q Yes or no?

A Yes.

Q How many times, sir?

A I don't recall.

Q Fifty times?

A He went to the bank on a number of occasions.

Q A hundred times?

A I don't recall.

Q A hundred and fifty times, sir? How many times?

A I said I don't recall.

Q Two hundred times, Mr. Moss?

A He went to the bank quite often to get cash.

Q More than two hundred times, Mr. Moss?

A I don't know.

Q Less than two hundred times?

A I couldn't tell you.

MR. LEVIN-EPSTEIN: Your witness, Mr. Sherman.

CROSS-EXAMINATION

BY MR. SHERMAN:

Q Mr. Moss, could you hear me if I don't yell a you?

A Yes, I can, sir.

Q Mr. Moss, there are five checks in this case, three checks of Sperry-Gyroscope and two checks of Surless Company. Did you ask Mr. Rubin to cash anyone of those five checks?

A No.

Q Do you know whether Mr. Rubin cashed any of those five checks?

A No, he did not.

Q In 1972, was Mr. Rubin an employee of Stafford Manufacturing Company?

A Yes he was.

Q Was he a shareholder of Stafford Manufacturing?

A No.

Q Was he an officer of Stafford Manufacturing?

A No.

Q What was the highest weekly wage Arnold Rubin was ever paid by Stafford Manufacturing Company?

A I just don't recall. It could have been $150 or $200. I just don't recall the wage he got. I'd have to refresh my recollection.

Q No more than, say, $200?

A In that area. I'd say.

Q Mr. Rubin related to you?

A No. Not to me directly. He's my wife Lenore's first cousin.

Q Was Mr. Rubin ever employed by American Identification Products?

A No. No.

Q Or By Stafford Marking?

A No.

Q Mr. Rubin ever a shareholder of American Identification Products?

A No.

Q Was he ever an officer of American Identification Products?

A No.

Q Mr. Moss, did there come a time during the summer of 1972 when you had a conversation with Mr. Rubin about the 1967 yellow GMC truck?

A Yes.

Q Tell the jury what you said to Mr. Rubin and what he said to you.

A The 10th of August, I asked him to find a place near Long Beach where I could leave the truck. And he did.

MR. LEVIN-EPSTEIN: Objection. I'm going to object to anything that Mr. Moss is going to say that

Mr. Rubin said to him as hearsay.

THE COURT: Read back the question.

(Read.)

THE COURT: Technically he's correct, that he can -- you can get the conversations that Mr. -- the statements that Mr. Moss made to Mr. Rubin, but not vice versa. You can get whatever instructions or statements he made to him.

MR. SHERMAN: Excuse me, your Honor. Your Honor, may we approach the side bar?

(Side bar follows.)

MR. SHERMAN: Your Honor, the Government has alleged a conspiracy. The conspiracy law, co-conspirator's statements can be taken against a conspirator, an exception to the hearsay rule.

THE COURT: You can't get your client's statements in. His statements. You can get his statements made in furtherance of the conspiracy. That's clear.

MR. LEVIN-EPSTEIN: I may be able to solve this whole problem.

THE COURT: You can't get Rubin's statements to him.

MR. SHERMAN: Your Honor, it bears on whether or not there is a conspiracy. The Government says there is a conspiracy.

THE COURT: I understand. That doesn't necessarily mean you can get your clients, whatever they may be, by way of self-serving.

MR. LEVIN-EPSTEIN: What exception to the hearsay rule is it?

MR. TAIKEFF: Co-conspirators exception.

MR. LEVIN-EPSTEIN: I'll be happy to withdraw the objection as long as Mr. -- the court instructs the jury that all of Mr. Moss's statements can be taken against Mr. Rubin. Fair is fair.

THE COURT: Would you be happy if I give them an instruction about conspiracy and co-conspirators' statements which I don't think you want. But in any event, I don't think this would apply to your client's statements made.

MR. SHERMAN: Your Honor, I also don't think that this question relating that conversation, Rubin's statements aren't being offered for the truth but just the content of the conversation.

THE COURT: All you have at the moment is his instructions, whatever instructions he gave.

MR. SHERMAN: Your Honor, I frankly think it's most important. I think the jury ought to have the full view of what the conversation is.

MR. LEVIN-EPSTEIN: Put him on the stand and let him testify to it.

THE COURT: But ultimately, if you wish to get that in, get your client to give his version.

MR. SHERMAN: Your Honor, I'd like to resume so the jury has a coherent view of what this testimony is.

THE COURT: That's my ruling.

MR. SHERMAN: I understand that's your ruling.

(In open court.)

BY MR. SHERMAN:

Q Mr. Moss, to regain our thread, you were saying that there was a time in the summer of '72 when you had a conversation with Mr. Rubin about the '67 GMC yellow truck. Tell us, as best you can remember, what you said to Mr. Rubin at that time?

A On August 10th, after adjudication, I asked him to find a place near Long Beach where I could leave a truck, where I could put a truck.

Q Did you tell him anything else at that time?

A No.

Q Did you tell him any reason why you wanted him to place a truck?

A No.

Q Did you tell him you wanted to arrange for the placement of a truck in Long Beach in connection with some bankruptcy proceeding that you anticipated?

A No.

Q Did you have any further conversations with Mr. Rubin at a later date about the 1967 GMC truck?

A Only that he reported to me the next day.

MR. LEVIN-EPSTEIN: Objection.

THE COURT: The question is, whether you had a conversation with him. Yes or no?

THE WITNESS: Yes I did.

THE COURT: In which case, what did you say to him, not what he said to you.

Q What if anything did you say to Mr. Rubin during that conversation?

A I said Okay.

Q Did you have any further conversations with Mr. Rubin about the 1967 GMC truck?

A No.

(Continued on next page.)

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MM/bw

CROSS-EXAMINATION

BY MR. SHERMAN (Cont'd):

Q Did you ever tell Mr. Rubin in words or in substance, or did you ask him to, in words or substance, did you tell Mr. Rubin to find a storage place near Long Beach for the 1967 GMC truck, to conceal bankruptcy or defeat the bankruptcy laws?

A No.

Q Did you ever have any conversations with Mr. Rubin about getting the GMC truck painted blue?

A No.

Q Did you ever have any conversation with Mr. Rubin about doing any repairs for the GMC truck?

A No.

Q To your knowledge, did Mr. Rubin ever have any contact with the GMC truck following your request with respect to storage of the truck in Long Beach?

A No, not to my knowledge.

MR. SHERMAN: No further questions.

REDIRECT EXAMINATION

BY MR. TAIKEFF:

Q Do you recall on your cross-examination, Mr. Levin-Epstein made reference to a bank document which in turn made some reference to the Stafford Marking being a

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division of American Identification Products?

A Yes.

Q Do you recall whether on that document, Stafford Marking was listed as a company or a corporation? In fact, may I have that document to use at this time?

MR. LEVIN-EPSTEIN: Are you going to offer it in evidence?

Q Without looking at the document, do you recall whether you referred to Stafford as Stafford Marking Company or Stafford Market Corporation or Stafford Market Company, Incorporated?

A No, it wasn't referred to as incorporated or corporation. It is Stafford Market Company or Stafford Market Division.

Q So you never told the bank that Stafford Market was in and of itself a corporation?

A Oh, no.

Q Mr. Levin-Epstein asked you when for the first time did you advise anyone of the existence of Stafford Market Company. Do you recall when you first communicated with any of your older customers as to the existence of Stafford Market Company, what the earliest date was?

A I think it's sometime in, my old customers, sometime late August or mid August or early September, in that area.

Q Do you recall the date of your letter to Sperry Gyroscope?

A Sperry, I think that was in possibly September or October of 1972.

Q Does looking at Defendant's Exhibit N in evidence, assist you in that regard?

A Oh, yes. October 3, 1972.

Q Now, under cross-examination you told the Court and jury that at times it was necessary for you to cash checks with Mr. Laxwer of the check cashing service in order to meet your obligations. Would you briefly explain what Mr. Laxer did for you in that particular regard, just a general description of how he helped you?

A He advanced me money for payroll and I gave him checks to hold against payroll. He, if there were times when I didn't have sufficient funds in the bank and had to pay the people, I would cash checks with him and he would give me the cash and I would pay the people.

He would at -- sometimes when the check was issued and I expected a customer to pay us and they didn't pay us on time and I couldn't meet my bank payments, put the cash in the bank from him and I did all these things to keep afloat. That is all the things I did with him.

4 Q When Stafford was adjudicated a bankrupt on August 10, 1972, did Mr. Laxer have any checks that belonged to Stafford that had been issued by Stafford which had not yet passed through Stafford's account?

A Yes.

Q Do you know the approximate or exact dollar amount of those checks?

A He had about $7,000. worth of checks.

Q And for each of those checks, what had he given you?

A He would give me cash for the payroll.

Q Equal to the amount of the check?

A Yes.

Q So that means for the $7,000. in checks, he had you or Stafford had received $7,000. in cash; is that correct?

A That's right.

Q And that cash was used how?

A To meet payrolls.

Q Did Mr. Laxer file a claim against the state?

A No.

Q As of August 10, 1972, could he have filed a claim?

MR. LEVIN-EPSTEIN: Objection, calls for a conclusion. The witness admitted he doesn't know anything about bankruptcy laws or anything like that.

THE COURT: I don't know if he can answer that question. I will let him if he can.

A He could have filed a claim for $7,000.

Q What was your feeling about what he had done?

MR. LEVIN-EPSTEIN: Objection. Totally irrelevant.

MR. TAIKEFF: It is a predicate question, your Honor.

THE COURT: I will allow it.

A He did me a very great service by giving me cash for the payroll.

Q What did you do about that after the bankruptcy?

A Sometime after the bankruptcy going through the next year, I paid off all those checks. I returned the money to him because he had given me all that money for payroll. I felt he was entitled to it.

Q How long did it take you to do that?

A About a year and a half, maybe even two. It was quite a time.

Q Now, Mr. Levin-Epstein called your attention to the fact that under Chapter XI, there were certain restrictions upon Stafford because it was a so-called debtor-in-possession; is that correct?

A Yes.

Q And there were certain restrictions on that company, were there not?

A Yes, there were.

Q Was there any restrictions, whether in writing or otherwise that said that you couldn't pay your obligations in cash? Yes or no?

A No.

Q Were there any restrictions that said you couldn't cash checks in order to pay obligations that you had to meet, yes or no?

A No.

Q Now, on a number of occasions while under cross-examination, you referred to having put up $8,000. of your own money. Am I right about that?

A Yes.

Q Was that $8,000. that you referred to under those circumstances the $8,250. you had put up for the Chapter XI program which ended up in the bankruptcy estate?

A Oh, no. That $8,250. was put up in January of 1971 from loans on my wife's and sons' stock.

Q So the $8,000. you were talking about was a different $8,000?

A Oh, yes.

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Q Mr. Levin-Epstein had you point out that you did not tell the trustee that you had taken the truck out to Long Island and left it there; is that correct?

A That's right.

Q On each and every occasion that you may have failed to tell the trustee about the truck being in Long Island, did you tell the trustee about the $8,000. you gave to the employees?

A No.

Q On each and every occasion that you failed to tell the trustee about the truck being in Long Island, did you tell the trustee that you were paying off Mr. Laxer the $7,000. you owed him?

A No.

MR. TAIKEFF: I have no further questions. Excuse me one moment, your Honor. No further questions.

MR. LEVIN-EPSTEIN: I'm through with this witness, your Honor.

THE COURT: I think this might be a good time to take the morning recess. Don't discuss the case.

(The jury withdrew from the courtroom at 11:00 a.m.

(Recess)

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6am/2

N A T H A N M O S S , called as a witness, having been first duly sworn by the Clerk of the Court, testified as follows:

MR. TAIKEFF: May I inquire, your Honor?

THE COURT: Yes.

DIRECT EXAMINATION

BY MR. TAIKEFF:

Q What is your relationship to George Moss?

A He is my brother.

Q Briefly and only touch the highlights, what is your educational background?

A I have a Liberal Arts Degree from Bucknell University and I have a degree as an industrial designer from Pratt University.

Q What is your current occupation?

A I am the plant manager of the American Identification Products.

Q How long have you been in that occupation?

A The length, the duration of the company's existence, approximately four years.

Q And prior to that what was your occupation?

A Iheld a similar position for Stafford Manufacturing Company.

Q And for how long were you with Stafford in

Q When, after September 6, 1972, did the materials depicted in the photographs come back to the plant?

A Oh, some months later.

Q Where were you on September 6, 1972?

A September 6, 1972?

Q Yes.

Let me rephrase the question. Did you attend an auction sale in September 1972, on the 2nd?

A Yes.

Q Where was that auction sale?

A On the premises of Stafford Manufacturing.

Q Were you there the entire time of the sale?

A I wsa there the entire time of the bidding.

Q Were your brothers there?

A No.

Q How many brothers do you have?

A He is my only brother.

Q I am going to place before you and exhibit which consists of a number of pieces of paper, the top piece of paper is marked Defendant's Exhibit S for identification and each succeeding piece of paper is similarly marked. I am also going to place before you Defendant's Exhibit Y for identification, one sheet of paper and finally Defendant's

A I myself handed many of these people money, or I saw my brother upon many occasions hand these people the money that was owed them for labor.

Q What kind of documentation, if any, was associated with those transactions?

A They would sign a paper receipted for a $50 payment of $100, or whatever it was, indicating they had received the money.

Q Now, what is contained within defense exhibit JJ?

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Show it to counsel.

(Mr. Taikeff hands documents to Mr. Levin-Epstein.)

MR. LEVIN-EPSTEIN: Objection, your Honor, best evidence rule.

(continued next page)

A Yes.

Q Could you tell us about them?

A My brother arranged --

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Sustained.

Listen to what goes on, Mr. Moss. I just finished saying that if you had something to do with it you can testify to what you did but not what your brother did.

MR. TAIKEFF: Unless he saw his brother do it.

THE WITNESS: That is what I was about to answer --

MR. LEVIN-EPSTEIN: Objection, Mr. Moss, wait for the Court's ruling.

THE COURT: No, if you saw your brother do something you can say that I was present on August 10th and I saw my brother hand somebody something. You can tell us that. But you cannot speculate as to what your brother was doing unless you know of your own personal knowledge, and not based on what somebody else told you.

THE WITNESS: Yes.

Q Can you tell us what you yourself saw or what you yourself did?

DIRECT EXAMINATION

BY MR. TAIKEFF: (Continued.)

THE COURT: Are they copies?

MR. TAIKEFF: There are some things which are copies.

May I ask the witness a question?

THE COURT: Yes.

Q The piece of paper which has the label on it, J.J. is a photo copy, is it not?

A Yes.

Q Where is that piece of paper of which J.J. is a photo copy?

A It may be over here. (Indicating.) I'm not sure where it is.

Q Would you look to see if you can find it?

(Pause.)

A I don't seem to find the original of this particular one.

Q Do you have the original?

A I myself do not have the original.

Q Do you know where it is?

A I must believe it's with the records that we have.

Q Do you personally know where the original is?

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Q The one that was owned, where was it used?

A Well, that was used --

Q Where, not for.

A It was used from, I would say Canada through Florida. It was used for by the men who made the installations -

MR. LEVIN-EPSTEIN: Objection, unresponsive to the question.

THE COURT: Where is the question, Canada to Florida?

THE WITNESS: Yes.

Q Was it garaged in Brooklyn?

A It was only in Brooklyn for about, oh, three or four months, something like that --

MR. LEVIN-EPSTEIN: Objection, unresponsive to the question. I ask it be striken.

THE COURT: Strike it out. Was it garaged in Brooklyn, yes, for three or four months. What three or four months?

THE WITNESS: It was not garaged as such.

Q Was it normally kept in Brooklyn?

A Yes -- well, it was kept in Brooklyn, not normally. It was kept in Brookly for about three or four months before adjudication. At that time, we were finished with it.

8 Q Was it a vehicle that was ketp in Brooklyn, went out to these places?

A Normally, it was ketp at these places and driven from possibly a job in Norfolk up to Boston, then to Canada or wherever.

Q Mr. Siefer has testified that he was that vehicle at your mother's house on Ocean Avenue and Brooklyn. Was that vehicle ever at your mother's house?

A Yes.

Q Who put it there?

A Well, may I give an explanation of that?

THE COURT: The question is who?

THE WITNESS: I believe I told someone --

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Go ahead --

MR. LEVIN-EPSTEIN: Objection.

THE COURT: Too late, go ahead.

A I believe --

MR. LEVIN-EPSTEIN: Objection, once again.

THE COURT: Overruled.

Q You may give us your answer.

A I believe I told someone to move it to my mother's house which is not occupied at that time on Ocean Avenue.

Q As far as you know, when was the last time that testimony, that your brother George Moss was also in charge of the operation of the station wagon?

A No, the station wagon -- he wasn't in charge -- when you say -- I want to understand what you mean when you say the operation, meaning when and where.

Q Let's say that within three to four months before the adjudication, according to your testimony, when you said the station wagon was in Brooklyn, was he in charge of what the station wagon did, and where it went?

A About three to four months before that we didn't use it and it was sitting outside, and I directed someone -- one of the men to take it over and put it in the driveway of Ocean Avenue.

Q You did, sir?

A Yes.

Q You told the man, whoever he is, to take the station wagon --

A It was hardly working.

Q And to put it in the driveway?

A Yes.

Q Do you recall who that man was?

A No, I don't.

Q But there is no question that you are the one who ordered him to do it?

A Yes.

Q Did your brother know you ordered him to do it?

A I don't know whether he did or not. I don't think so. It was not a usable piece of equipment.

Q But there is no question in your mind, is there, that it was your order and your instruction that one of the employees of Stafford tock that station wagon and put it in the driveway of Ocean Parkway or Ocean Avenue?

A Ocean Avenue.

Q But it was your instruction?

A Yes.

Q That was when you were in Chapter ~~11~~XI, wasn't it?

A Yes.

Q That is after you had testified in the Bankruptcy Court many times? Right?

A I don't remember when I testified in the Bankruptcy Court. I know I did testify.

Q During the Chapter 11 period?

A I'm not sure if I did testify then during the Chapter 11 period.

Q Well, was it about three or four months before the bankruptcy adjudication, Mr. Moss, when it downed on you that you were going to go bankrupt at Stafford?

A No, absolutely not.

Q I see --

A We didn't expect to go bankrupt. We were producing dryers for which we were promised money --

Q Will you answer my question?

A But I can't answer it.

MR. LEVIN-EPSTEIN: If Mr. Taikeff thinks that it is appropriate for you to explain anything that comes out on cross-examination I have no doubt he will ask you the questions.

A (Continuing) We didn't expect to go bankrupt.

MR. LEVIN-EPSTEIN: Thank you.

Your Honor, I will ask the Court to instruct the witness --

THE COURT: You say you didn't expect to go into bankruptcy.

MR. LEVIN-EPSTEIN: I will ask that everything else he said be stricken.

THE COURT: Yes.

MR. LEVIN-EPSTEIN: And the jury requested to disregard it.

THE COURT: Yes.

Q Now, at this bankruptcy auction and sale on September 7 of 1972, Mr. Moss, will you tell us what price

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was paid for the fork lift truck?

A It wasn't there. It wasn't auctioned.

Q It wasn't?

A No.

Q Where was it?

A I don't know.

Q It was gone? You were in charge of the plant, weren't you, sir?

A Not during -- not when the auctioneers were there.

Q Was it there before the auctioneers got there (handing)?

A As far as I know it was.

Q When you left the plant before the auctioneers took control of the plant, as far as you know the fork lift truck was there?

A So far as I know. I don't know --

Q And at the sale?

A I don't specifically remember. It is just a piece of machinery. I do not specifically remember.

Q It is a small piece of machinery though probably about the size of this water pitcher (indicating)?

A We have many pieces of machinery that are about two stories high.

Q How many fork lifts did you have, sir?

A We had at least --

Q How many?

A I can't answer it that way. We had at least four or five pieces [illegible] equipment that were used in material handling. This was one of them.

Q You don't know the difference between a fork lift --

A Of course I know the difference.

Q Well, how many fork lift trucks did you have, sir?

A I had several fork lift trucks. There was one Clark.

Q How many fork lift trucks of any name were sold at the sale, sir?

A Oh, two or three.

Q Are you sure of that?

A They were fork lifts.

Q And that is different than a Clark fork lift, isn't it?

A That's a trade name.

Q That which is in front of you in Government's Exhibit 7 is the Clark fork lift?

A Yes.

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Q And that is the one that was owned by Stafford, wasn't it?

A Yes.

Q That is the one that is currently used and operated by AIP? Right?

A Yes.

Q That is the one that wasn't sold at the sale, right, sir? Yes or no?

A Yes. I didn't see it at the sale.

Q Well, Mr. Moss, do you care to explain to the jury whether or not you had while you were watching the sale of your father's business going to auction -- and did you think that anywhere at all that there might be something that you ought to say something about when a truck that size was not sold and you knew that it was there before you left the auctioneer -- didn't it occur to you to mention that to somebody in passing?

A There were several hundred items at the sale.

Q And you missed the fork lift? Right?

A I didn't look for it.

Q Were you looking for the Bliss press that Mr. Taikeff asked you about?

A This was after.

Q Were you looking at the Cam Cut machine that

Mr. Taikeff asked you about?

A When I went to the sale --

Q Were you looking for the 1967 GMC truck, sir, at the sale?

A Do you want me to answer those questions or are you just making a speech, sir?

THE COURT: The question is were you looking for the fork lift truck.

THE WITNESS: I wasn't specifically looking for any specific piece of equipment. There were some several hundred items at the sale. I went in and I decided the items that I wanted. And we bought those items, as much as we could.

SS

(continued next page)

CROSS-EXAMINATION

BY MR. LEVIN-EPSTEIN: (Continued.)

Q Based upon your years of experience in the business, sir, what would you say -- and I recognize it's only your opinion -- but what would you say the value of that Clark fork lift was in September of 1972?

A O, possibly $300.

Q Drop in a bucket, right, Mr. Moss, you didn't care?

A I don't know what that means. You asked me the value.

Q Mr. Moss, did it occur to you that you might have a theft, a grand larceny on your hands, of a fork lift truck by Martin Fein, the auctioneers, did you tell somebody about it?

A No, I didn't think anything of that.

Q Apparently.

What about, sir, the stationwagon? That was over in the driveway at Ocean Avenue, right?

A Yes.

Q When was the first time you told the trustee of bankruptcy about that falling apart yellow stationwagon?

A It was a piece of junk. I didn't even think about it.

Q Curiously enough, wasn't that piece of junk later obtained and insured by American Identification Products and used in their business years later?

A No, it was not, it was never used, never driveable.

Q But it was insured.

A Let me -- may I explain?

Q Yes or no?

A Yes, it was insured.

Q It was registered, wasn't it?

A It was --

Q Yes or no?

A Yes, it was, but it was never driven. It couldn't be driven.

Q So you kept it for sentimental reasons?

A That's not an appropriate comment, sir, let me explain it.

Q Let Mr. Taikeff ask you the questions if he feels it is deemed appropriate, Mr. Moss.

About this truck, this truck was falling apart also, wasn't it?

A It wasn't in good condition. Was a six or seven year old truck.

Q So you took this six or seven year old truck, entries in your books, who told you what to write down?

A The bills are marked for me.

Q Who marked the bills?

A They are marked by three different people.

Q One of those people George Moss?

A Yes.

Q Who are the other two?

A Nat Moss and the receiving department.

Q In the receiving department, it can be a number of different people?

A Yes, sir.

Q Did there come a time during the last ten years of your experience with this man, the defendant, when he would tell you what to put down in the books?

A He would write on something or tell me verbally, yes.

Q It happened with relative frequency, did it not?

A Yes.

Q Because he is the boss?

A That's right.

Q And so besides being a dynamite salesman, he is also the president of the corporation, isn't he?

A Yes.

Q I am speaking of Stafford.

A Yes.

Q Besides being a piece maker he is also the man in charge; isn't he?

A Yes, he is.

Q Besides being the hardworking industrious, honest man that you described on direct examination, he is also the office manager, right?

A Yes, sir.

Q And in fact whatever happened at Stafford or whatever happened at AIP he's in charge, meaning George Moss?

A As far as I am concerned.

Q No question about that in your mind, is there?

A No, as far as I am concerned, he is my boss.

Q And he iseverbody's else's boss at AIP also?

A Not in production.

Q They're not the boss?

A Yes.

MR. LEVIN-EPSTEIN: Your Honor I will ask that this sheaf of documents be marked Government's Exhibit next for identification.

THE CLERK: Government's Exhibit 91 so marked for identification.

(So marked.)

YORK STATE
TIFICATE OF
GISTRATION

Signature in Full (Wife use own first name)
X

FEE DUE $ 90.00
Includes Add'l. Fee

of Reg.
Vehicle Ident. No.
Date Expires

GMMERCIAL
198664
967 GMC
ELV XXXXX
17940 GAS
Seats Fuel

C6946F
4/30/73
STAFFORD MFG CO INC
145 58 ST
BROOKLYN NY 11220

6552922 APR 28 72

l Fee
90.00
Cyl.

B.A.I

NOT VALID UNTIL STAMPED

Part 1
MV-639 (6/71)

NT L. TOFANY-Commissioner of Motor Vehicles

NEW YORK STATE
REGISTRATION
RENEWAL/TRANSFER

Signature in Full (Wife use own first name)
X

Type of Reg.
Vehicle Ident. No.
Date Expires

COMMERCIAL
198664
1967 GMC
DELV XXXXX
17940 GAS
WT/Seats Fuel

C6946F
4/30/73
STAFFORD MFG CO INC
145 58 ST
BROOKLYN NY 11220

6552922 APR 28 72

Annual Fee
$ 90.00
Cyl.

B.A.I

STAMP HERE

Part 2
MV-639 (6/71)

VINCENT L. TOFANY-Commissioner of Motor Vehicles

GOVERNMENT EXHIBIT 17
76 CR 369

THIS CHECK IS IN FULL PAYMENT OF THE FOLLOWING AND THE PAYEE ACCEPTS IT AS SUCH.

DATE	PARTICULARS	AMOUNT	
Truck storage thru Aug. 31/72			
	TOTAL OF INVOICES		
	LESS		
	AMOUNT OF CHECK		

BANKERS TRUST COMPANY

529 FIFTH AVENUE
NEW YORK, N. Y.

GALGAN REALTY CORP.

No. 1781

1·103
210

September 8 19 72

PAY TO THE ORDER OF S & M Fuel Oil Corp. $25.00

Twenty-five and 00/00- - - - - - - - - - - - - - DOLLARS

GALGAN REALTY CORP.

7

⑆0210⑈0103⑆07⑈40653292⑈ ⑈0000002500⑈

GOVERNMENT EXHIBIT
23
76 CR 369
PENGAD/Bayonne, N.J.

FOR DEPOSIT ONLY
S & M FUEL OIL CORP

QUANTITY	DESCRIPTION	TOTAL
3	Side Chairs	$ 30.00
1	Metal Wall Cabinet	10.00
3—7 4 [illegible]	Benchmaster Power Presses) S/N 39998 39901 39900) 39903 36315) 08399 39902)	2800.00 ✓
2	Pedestal Fans	20.00
1	Pexto (Manual) Roller	15.00
1	Metal Surface Plate	25.00
3	Excelsior Kick Presses, Ass't.	60.00
1	Pedestal Drill Press 'Delta'	60.00
1	Niagara Power Press #A4, S/N 31882) Capacity 56 Ton)	2500.00
1	Durant Motorized Stock Reel, S/N 1892	150.00
2	Stackers	100.00
1	Work Bench W/ Vise	20.00
2	Press Rite Power Presses #1) S/N SE 5430) " 3500)	450.00
1	Press Rite Power Press #2, S/N 1909	350.00
1	Power Press (No Identification)	275.00
1 ?	Numberall Stamping Machine	50.00
1	Wall Clock	5.00
1	Bliss #3 Power Press (As Is)	50.00
1	Chicago 6 Ft. Power Brake, S/N 3368) Capacity 25 Ton)	1250.[illegible]
1	Niagara (Manual) Roller	35.00
1	Pedestal Fan	10.00
1	Power Press (No Identification)	650.00
1	Sand Blasting Machine (No Identification)	100.00
2	Fire Extinguishers, Ass't.	25.00
3	S. S. Tanks	75.00
1	Hand Truck	10.00
1	Overhead Electric Hoist	100.00
—1	Strohms Degreaser	50.00 ✓
Lot	(11) Tanks, Ass't.	10.00
1	Pump W/ Motor	10.00
1	Barrel Hand Truck	15.00
1	D. E. Buffer	40.00
2	" " Ass't.	100.00
1	Porter Cable Wet & Dry Belt Sander, S/N 7170	150.00
1	Pedestal Fan	15.00
2	Fire Extinguishers, Ass't.	25.00
1	Sanding Machine (No Identification)	50.00
2	Hand Trucks, Ass't.	25.00
1	Bliss #14 Power Press	500.00
1	Fire Extinguisher	15.00
5	Metal Cabinets, Ass't.	25.00
1	General Electric Wall Clock	5.00
1	Metal Draftsman Table W/ Dazor Light & Stool	40.00
2	Wood " " " " " "	20.00
1	Art O Graph Enlarger	25.00
—1	Varityper (Headliner 820) Model H1) S/N 8205263)	500.00 ✓

(Gov. Ex 44)

MV-82T (3/73)

NEW YORK STATE CERTIFICATE OF REGISTRATION

Signature in Full (Wife use own first name) X Floyd E Ellison

PAY THIS AMOUNT $ 28.50 Includes Add'l Chg

Type of Reg. PAS

Vehicle Ident. No. 134469B313953

Date Expires 1/31/75

158YTP
1969 CHEVR
SUBN YW
3732 GAS

AMERICAN IDENT
PRODUCTS INC
143 145 58 ST
BROOKLYN NY 11220

WT/Seats Fuel

1243957 FEB 1374

BBX DEPARTMENT OF MOTOR VEHICLES

Annual Chg. $ 28.50 Cyl. 6

NOT VALID UNTIL STAMPED

Part 1 MV-638 (11/72)

VINCENT L. TOFANY-Commissioner of Motor Vehicles

STATE REGISTRATION RENEWAL/TRANSFER

Signature in Full (Wife use own first name) X Floyd E Ellison

Type of Reg. PAS

Vehicle Ident. No. 134469B313953

Date Expires 1/31/75

158YTP
1969 CHEVR
SUBN YW
3732 GAS

AMERICAN IDENT
PRODUCTS INC
143 145 58 ST
BROOKLYN NY 11220

WT/Seats Fuel

1243957 FEB 1374

BBX DEPARTMENT OF MOTOR VEHICLES

Annual Chg. $ 28.50 Cyl. 6

STAMP HERE

Part 2 MV-638 (11/72)

VINCENT L. TOFANY-Commissioner of Motor Vehicles

---

is not used for business or commercial purposes and is not rented or leased to others. I have the following private passenger vehicle registered in New York State in my name:

Year______ Make ______ Plate No. ______ Exp. Date ______ Vehicle ID No ______

F. CHECK ANY BOXES IN THIS SECTION WHICH APPLY FOR THIS VEHICLE

MV-78B (2/72) NYS - DMV

REPORT OF LOST OR STOLEN PLATES

This is to certify that the following registration plates have been reported lost or stolen:

Check number of plates and/or validation sticker stolen: ☐ One ☒ Two ☐ Sticker	Plate Number 158YTP	Mo./Yr. of Expiration 1/75
Date Lost or Stolen Bet 5-31-74 To 6-3-74	Type of Registration PASS.	

Name of Registrant: AMERICAN IDENT PRODUCTS INC.

Address of Registrant: 143-145 58 St. Bklyn.

Police Agency: N.Y.C.P.D. 68 Pct. U.F.61 # 5472

Signature of Officer P.O. Frank V. Cuccolo	Rank P.O.	Date 6/3/74

Registrant: To obtain replacement plates you are required to present this form and your NYS Insurance Identification Card to Issuing Office

2. There are no unsatisfied judgments against me as a result of a motor vehicle accident.
3. The registration is not currently under suspension or revocation.
4. The vehicle is fully equipped in accordance with the requirements of the Vehicle and Traffic Law
5. There are no outstanding orders against me under the Financial Security Act.
7. If a farm vehicle registration, the vehicle will not be operated on a public highway except on the routes indicated on Form MV-260F.
8. If a passenger registration, passengers will not be carried for hire.
9. If plates in a series reserved for a special group, I have only one set of these plates.

SIGN HERE X Floyd Ellison Pr

Sign name in full. If not individual owner, give title.

DEALER CERTIFICATION

I certify that the lienholders listed on this form are the only recorded lienholders for this vehicle known to me.

Signature of Dealer ______

THIS BOX FOR OFFICE USE ONLY

DOCUMENTS LISTED BELOW WERE SUBMITTED AS PROOF OF OWNERSHIP FOR THE VEHICLE:

☐ Title ☐ Manufacturer's Statement of Origin ☐ Bill of Sale—If out of State dealer, was certification filed? ☐ Yes ☐ No

☐ Certified Copy of title with letter of permission

Other ______

State ______ Plate Number ______

From (Name and Address) ______

PROOF WAS:

☐ Returned to Applicant

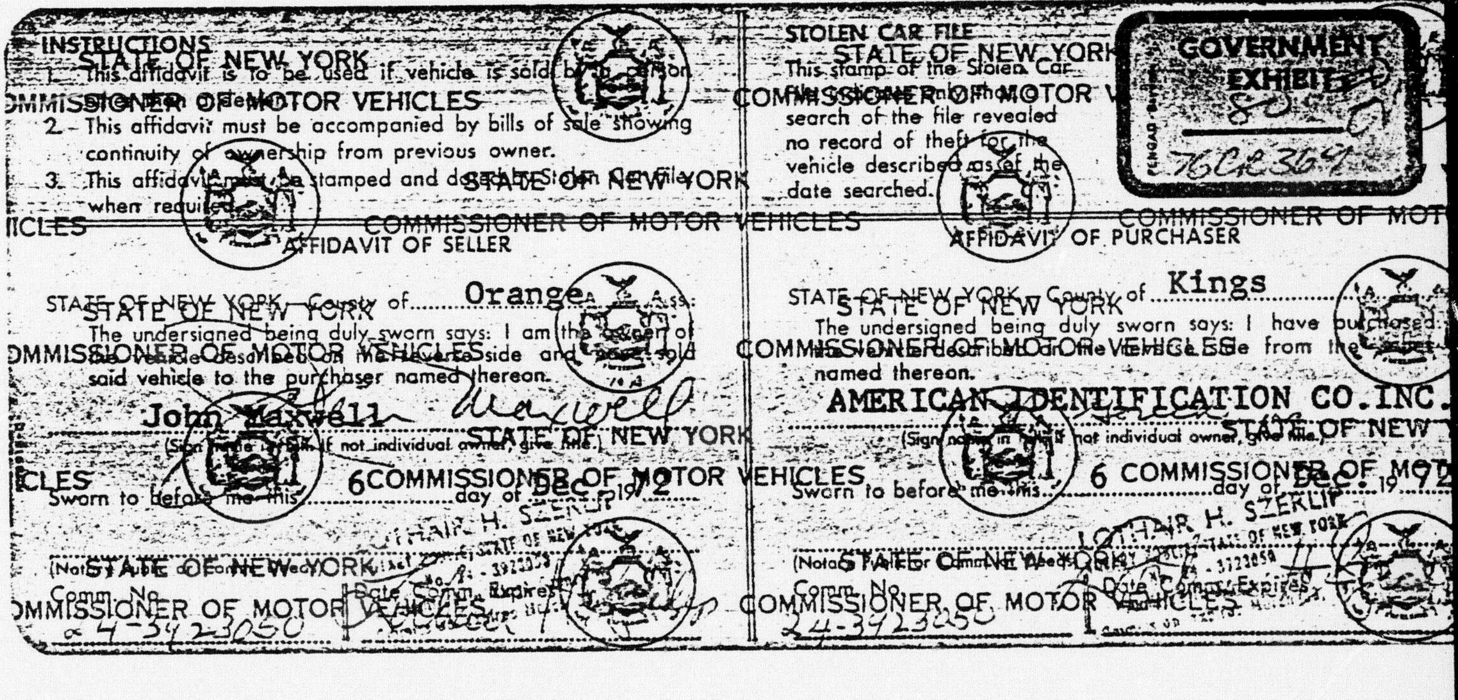
Date.

Examiner

This is to certify that the foregoing is a true and complete copy (XEROX) of a record on file in the New York State Department of Motor Vehicles, Albany, New York.

Date______ ______ Certification Clerk

GOVERNMENT EXHIBIT



STATE OF NEW YORK
COMMISSIONER OF MOTOR VEHICLES

GOVERNMENT EXHIBIT
80
76 CR 364

INSTRUCTIONS

1. This affidavit is to be used if vehicle is sold by a person [illegible]
2. This affidavit must be accompanied by bills of sale showing continuity of ownership from previous owner.
3. This affidavit must be stamped and dated by Stolen Car File when required.

STOLEN CAR FILE

This stamp of the Stolen Car [illegible] search of the file revealed no record of theft for the vehicle described as of the date searched.

AFFIDAVIT OF SELLER

STATE OF NEW YORK, County of Orange ss:

The undersigned being duly sworn says: I am the owner of the vehicle described on the reverse side and have sold said vehicle to the purchaser named thereon.

John Maxwell John Maxwell

(Sign name in full. If not individual owner, give title.)

Sworn to before me this 6 day of Dec. 1972

LOTHAIR H. SZERLIP
Notary Public, State of New York
No. 24-3923050

(Notary Public or Comm. of Deeds)

Comm. No. 24-3923050

Date Comm. Expires

AFFIDAVIT OF PURCHASER

STATE OF NEW YORK, County of Kings

The undersigned being duly sworn says: I have purchased the vehicle described on the reverse side from the seller named thereon.

AMERICAN IDENTIFICATION CO.INC.

(Sign name in full. If not individual owner, give title.)

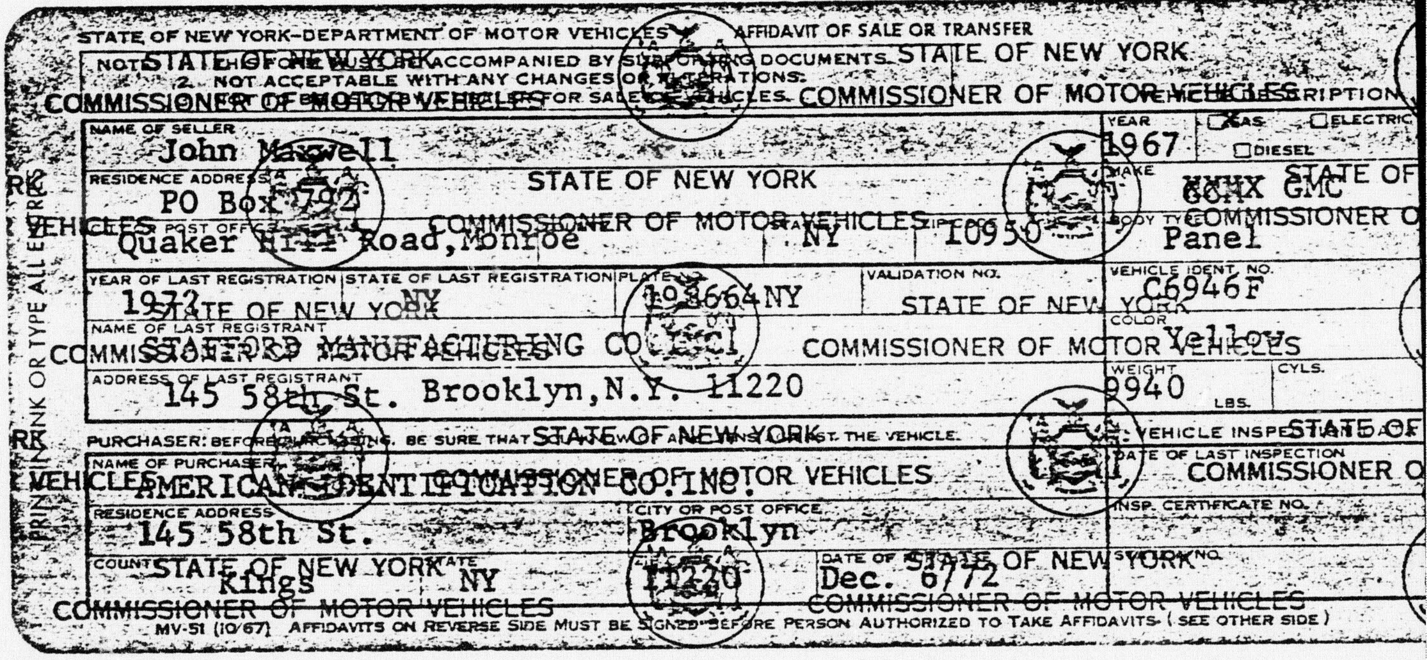
Sworn to before me this 6 day of Dec. 1972

LOTHAIR H. SZERLIP
Notary Public, State of New York
No. 24-3923050

(Notary Public or Comm. of Deeds)

Comm. No. 24-3923050

Date Comm. Expires



STATE OF NEW YORK–DEPARTMENT OF MOTOR VEHICLES

AFFIDAVIT OF SALE OR TRANSFER

NOTE: 1. THIS FORM MUST BE ACCOMPANIED BY SUPPORTING DOCUMENTS.
2. NOT ACCEPTABLE WITH ANY CHANGES OR ALTERATIONS.
3. NOT TO BE USED BY DEALERS FOR SALE OF VEHICLES.

PRINT IN INK OR TYPE ALL ENTRIES

NAME OF SELLER: John Maxwell
RESIDENCE ADDRESS: PO Box 792
CITY OR POST OFFICE: Quaker Hill Road,Monroe
STATE: NY
ZIP CODE: 10950

YEAR OF LAST REGISTRATION: 1972
STATE OF LAST REGISTRATION: NY
PLATE NO.: 103664NY
VALIDATION NO.:
NAME OF LAST REGISTRANT: STAFFORD MANUFACTURING CO.
ADDRESS OF LAST REGISTRANT: 145 58th St. Brooklyn,N.Y. 11220

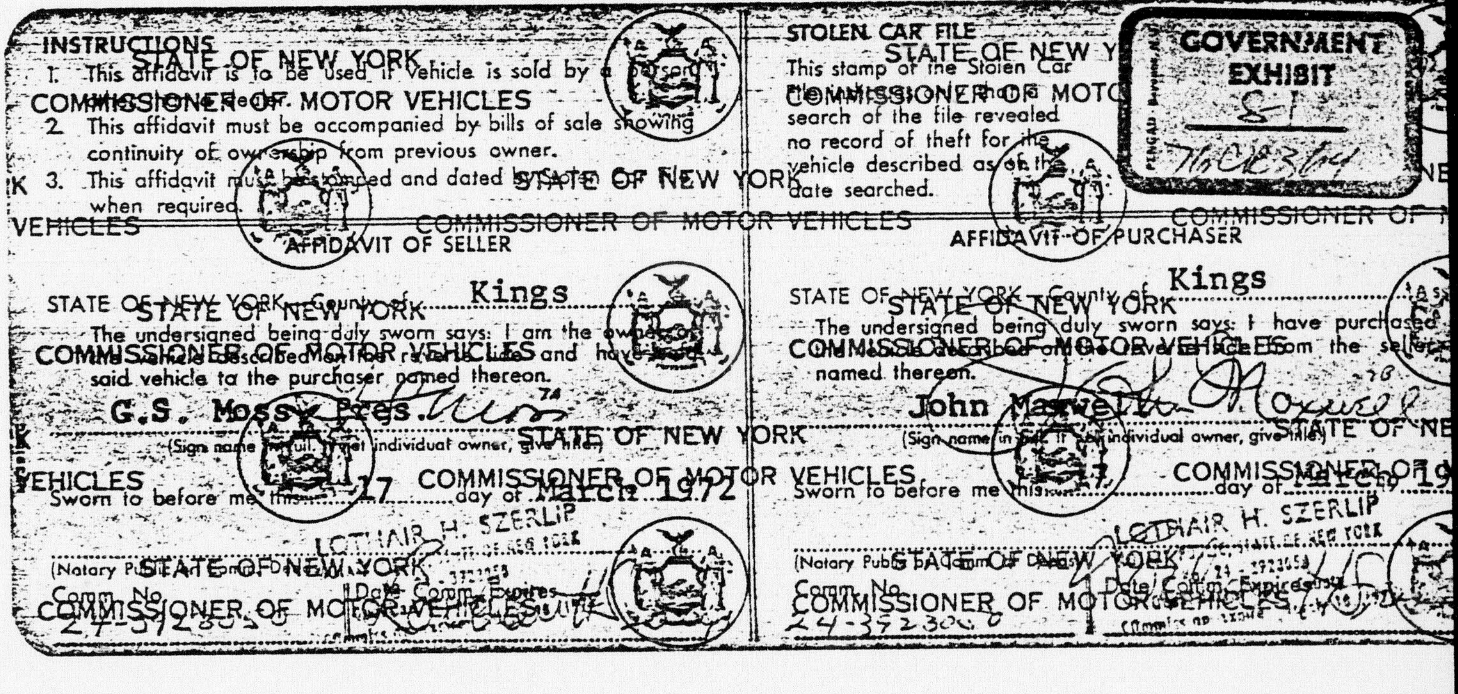
VEHICLE DESCRIPTION
YEAR: 1967
☒ GAS ☐ ELECTRIC ☐ DIESEL
MAKE: 66HX GMC
BODY TYPE: Panel
VEHICLE IDENT. NO.: C6946F
COLOR: Yellow
WEIGHT: 9940 LBS.
CYLS.:

PURCHASER: BEFORE PURCHASING, BE SURE THAT NO LIENS EXIST AGAINST THE VEHICLE.

NAME OF PURCHASER: AMERICAN IDENTIFICATION CO.INC.
RESIDENCE ADDRESS: 145 58th St.
CITY OR POST OFFICE: Brooklyn
COUNTY: Kings
STATE: NY
ZIP CODE: 11220
DATE OF SALE: Dec. 6/72

VEHICLE INSPECTION DATA
DATE OF LAST INSPECTION:
INSP. CERTIFICATE NO.:
STATION NO.:

MV-51 (10/67) AFFIDAVITS ON REVERSE SIDE MUST BE SIGNED BEFORE PERSON AUTHORIZED TO TAKE AFFIDAVITS (SEE OTHER SIDE)



INSTRUCTIONS

1. This affidavit is to be used if vehicle is sold by a person [illegible] dealer.
2. This affidavit must be accompanied by bills of sale showing continuity of ownership from previous owner.
3. This affidavit must be stamped and dated by [illegible] when required.

AFFIDAVIT OF SELLER

STATE OF NEW YORK, County of Kings

The undersigned being duly sworn says: I am the owner of the vehicle described on the reverse side and have sold said vehicle to the purchaser named thereon.

G.S. Moss, Pres. 74

(Sign name in full. If not individual owner, give title.)

Sworn to before me this 17 day of March 1972

LOTHAIR H. SZERLIP
[illegible] STATE OF NEW YORK
[illegible] 3723050

(Notary Public or Comm. of Deeds)

Comm. No. 24-3723050 | Date Comm. Expires

STOLEN CAR FILE

This stamp of the Stolen Car File [illegible] that a search of the file revealed no record of theft for the vehicle described as of the date searched.

GOVERNMENT EXHIBIT
8-1
75 CR 364

PENGAD - Bayonne, N.J.

AFFIDAVIT OF PURCHASER

STATE OF NEW YORK, County of Kings

The undersigned being duly sworn says: I have purchased the vehicle described on the reverse side from the seller named thereon.

John Maxwell 78
John Maxwell

(Sign name in full. If not individual owner, give title.)

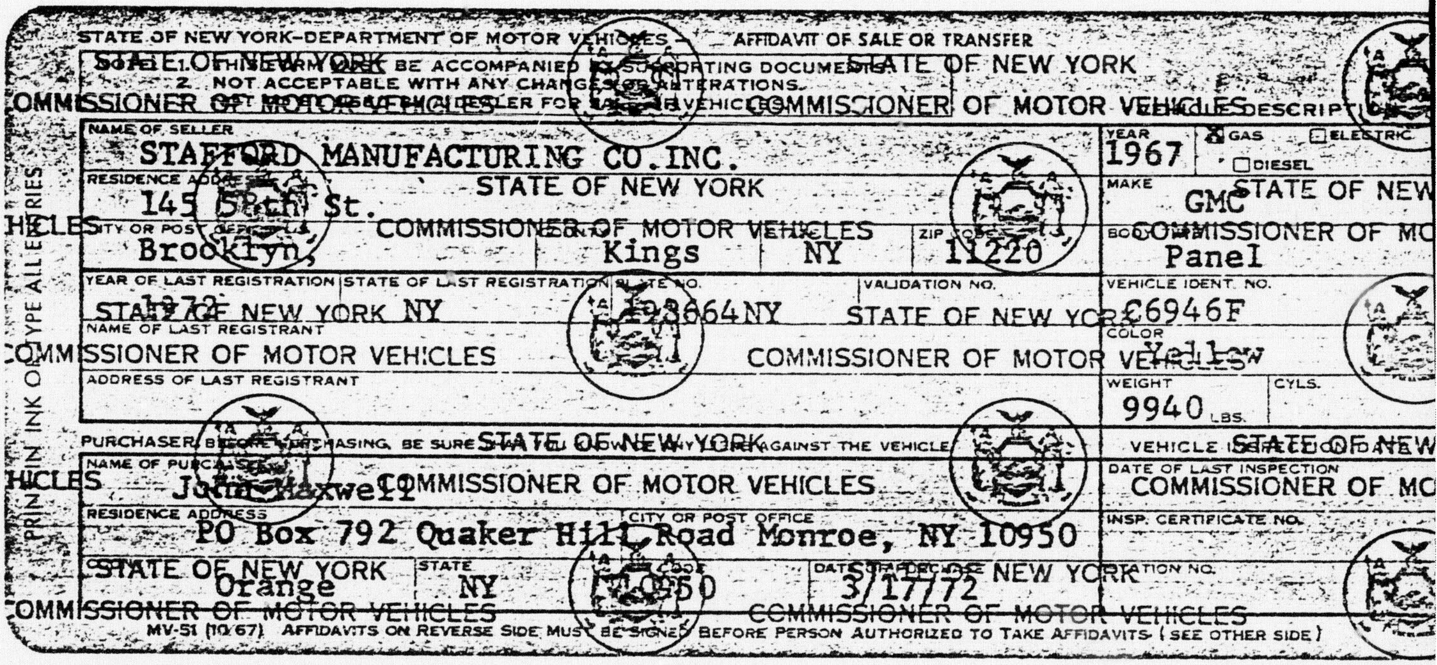
Sworn to before me this 27 day of March 19

LOTHAIR H. SZERLIP
[illegible] STATE OF NEW YORK
No. 24-3723050

(Notary Public or Comm. of Deeds)

Comm. No. 24-3723000 | Date Comm. Expires

STATE OF NEW YORK
COMMISSIONER OF MOTOR VEHICLES



STATE OF NEW YORK–DEPARTMENT OF MOTOR VEHICLES — AFFIDAVIT OF SALE OR TRANSFER

NOTE: 1. THIS FORM MUST BE ACCOMPANIED BY SUPPORTING DOCUMENTS.
2. NOT ACCEPTABLE WITH ANY CHANGES OR ALTERATIONS.
LAST REGISTRANT OR DEALER FOR SALE OF VEHICLE

PRINT IN INK OR TYPE ALL ENTRIES

NAME OF SELLER: STAFFORD MANUFACTURING CO.INC.
RESIDENCE ADDRESS: 145 58th St.
CITY OR POST OFFICE: Brooklyn,
COUNTY: Kings
STATE: NY
ZIP CODE: 11220
YEAR OF LAST REGISTRATION: 1972
STATE OF LAST REGISTRATION: NY
PLATE NO.: 193664NY
VALIDATION NO.:
NAME OF LAST REGISTRANT:
ADDRESS OF LAST REGISTRANT:

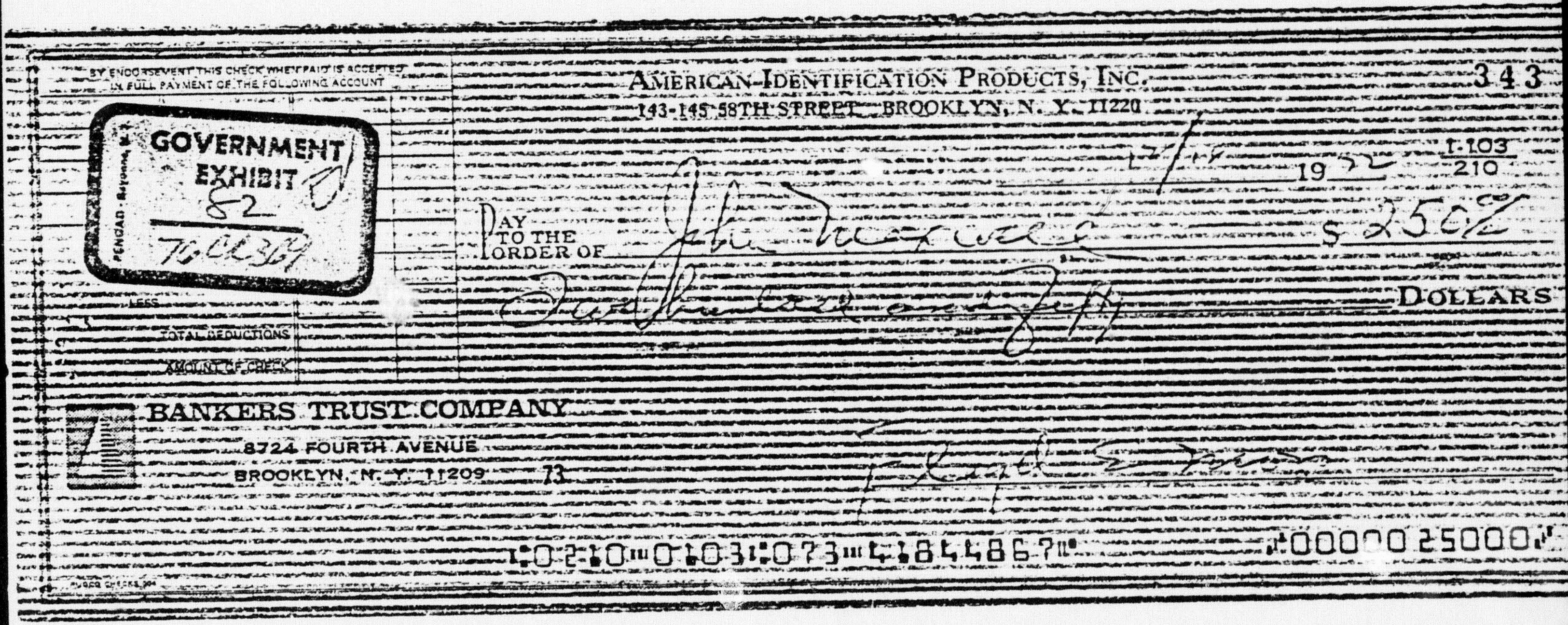
VEHICLE DESCRIPTION
YEAR: 1967
☒ GAS ☐ ELECTRIC ☐ DIESEL
MAKE: GMC
BODY: Panel
VEHICLE IDENT. NO.: C6946F
COLOR: Yellow
WEIGHT: 9940 LBS.
CYLS.:

PURCHASER, BEFORE PURCHASING, BE SURE THAT YOU KNOW OF ANY LIEN AGAINST THE VEHICLE
NAME OF PURCHASER: John Maxwell
RESIDENCE ADDRESS: PO Box 792 Quaker Hill Road
CITY OR POST OFFICE: Monroe, NY 10950
COUNTY: Orange
STATE: NY
ZIP CODE: 10950
DATE OF PURCHASE: 3/17/72

VEHICLE INSPECTION DATA
DATE OF LAST INSPECTION:
INSP. CERTIFICATE NO.:
INSP. STATION NO.:

MV-51 (10/67) AFFIDAVITS ON REVERSE SIDE MUST BE SIGNED BEFORE PERSON AUTHORIZED TO TAKE AFFIDAVITS (SEE OTHER SIDE)

STATE OF NEW YORK
COMMISSIONER OF MOTOR VEHICLES



BY ENDORSEMENT THIS CHECK WHEN PAID IS ACCEPTED IN FULL PAYMENT OF THE FOLLOWING ACCOUNT

GOVERNMENT EXHIBIT 82
70 Cr 369

LESS

TOTAL DEDUCTIONS

AMOUNT OF CHECK

AMERICAN IDENTIFICATION PRODUCTS, INC.
143-145 58TH STREET BROOKLYN, N. Y. 11220

343

12/14 1972

1-103
210

PAY TO THE ORDER OF John Maxwell $ 250⁰⁰

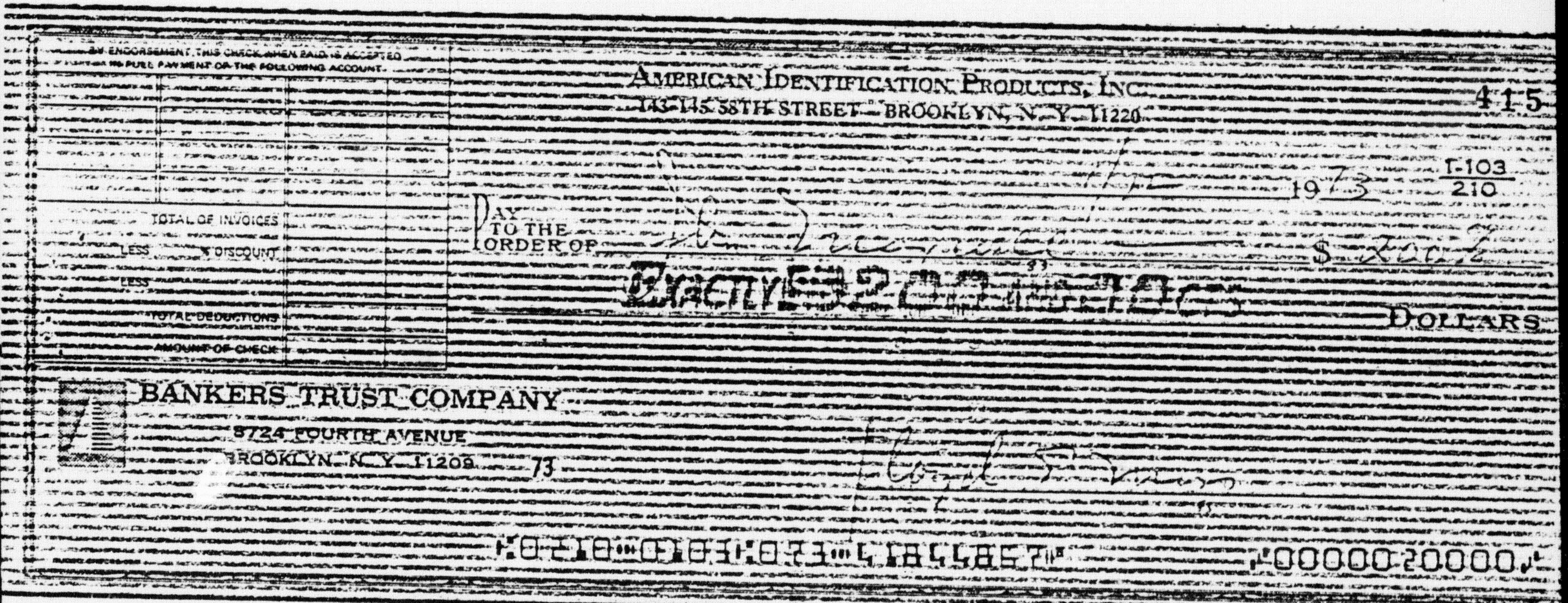
Two hundred and fifty DOLLARS

BANKERS TRUST COMPANY
8724 FOURTH AVENUE
BROOKLYN, N. Y. 11209 73

⑆0210⑈0103⑆073⑈41844867⑈

⑈0000025000⑈

[redacted]



BY ENDORSEMENT THIS CHECK WHEN PAID IS ACCEPTED IN FULL PAYMENT OF THE FOLLOWING ACCOUNT

TOTAL OF INVOICES	
LESS % DISCOUNT	
LESS	
TOTAL DEDUCTIONS	
AMOUNT OF CHECK	

AMERICAN IDENTIFICATION PRODUCTS, INC.
143-145 58TH STREET – BROOKLYN, N. Y. 11220

415

1973

1-103
210

PAY TO THE ORDER OF [illegible]

$ 200

EXACTLY $200 DOLS 00 CTS

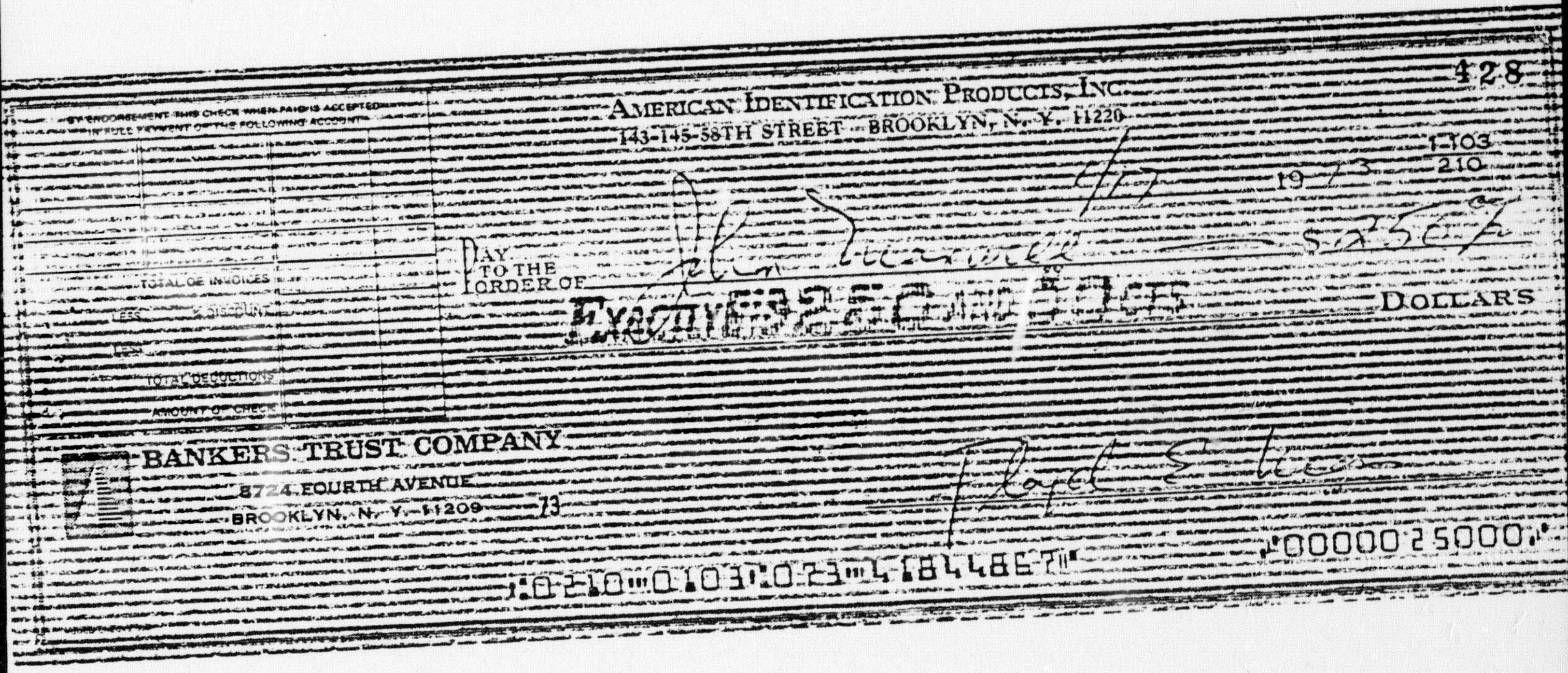
DOLLARS

BANKERS TRUST COMPANY
8724 FOURTH AVENUE
BROOKLYN, N. Y. 11209

73

0210 0103 073 4185487

0000020000



428

BY ENDORSEMENT THIS CHECK WHEN PAID IS ACCEPTED IN FULL PAYMENT OF THE FOLLOWING ACCOUNT

TOTAL OF INVOICES

LESS % DISCOUNT

LESS

TOTAL DEDUCTIONS

AMOUNT OF CHECK

AMERICAN IDENTIFICATION PRODUCTS, INC.
143-145-58TH STREET BROOKLYN, N. Y. 11220

1-103
210

4/17 1973

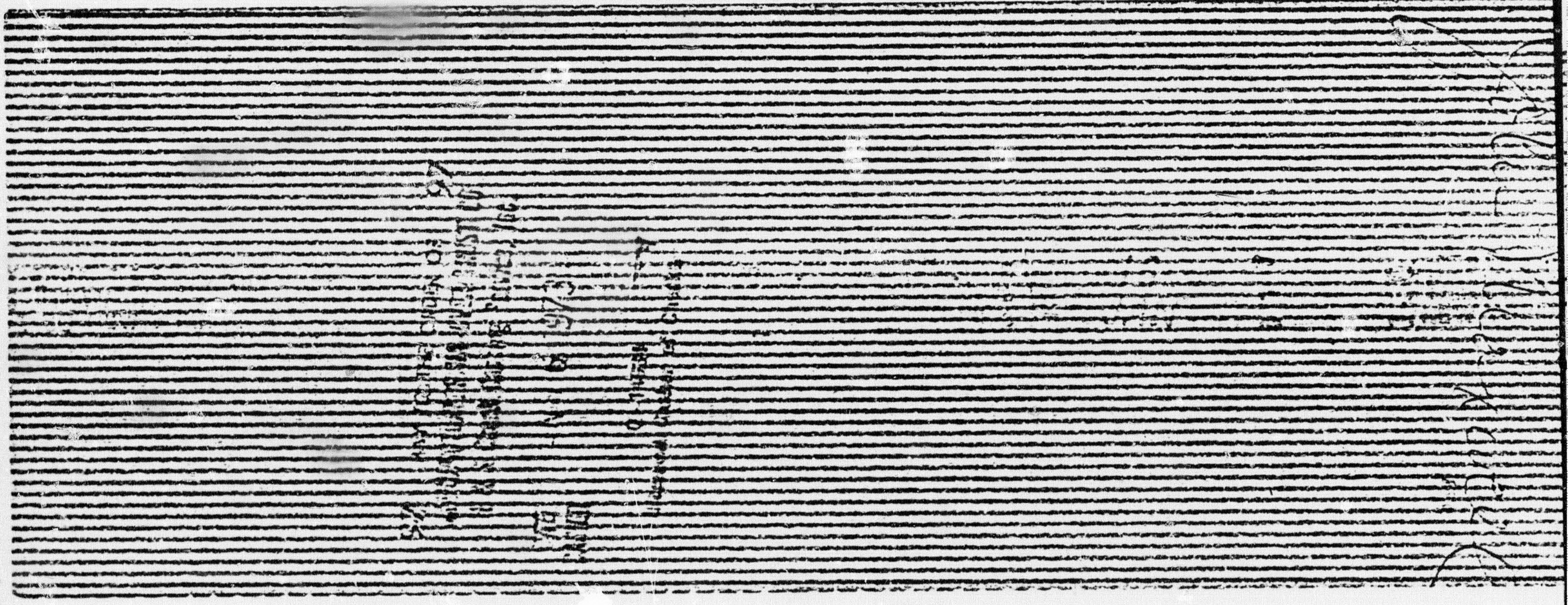
PAY TO THE ORDER OF John [illegible] $250 00/100

EXACTLY $250 [illegible] 00 CTS DOLLARS

BANKERS TRUST COMPANY
8724 FOURTH AVENUE
BROOKLYN, N. Y. 11209 73

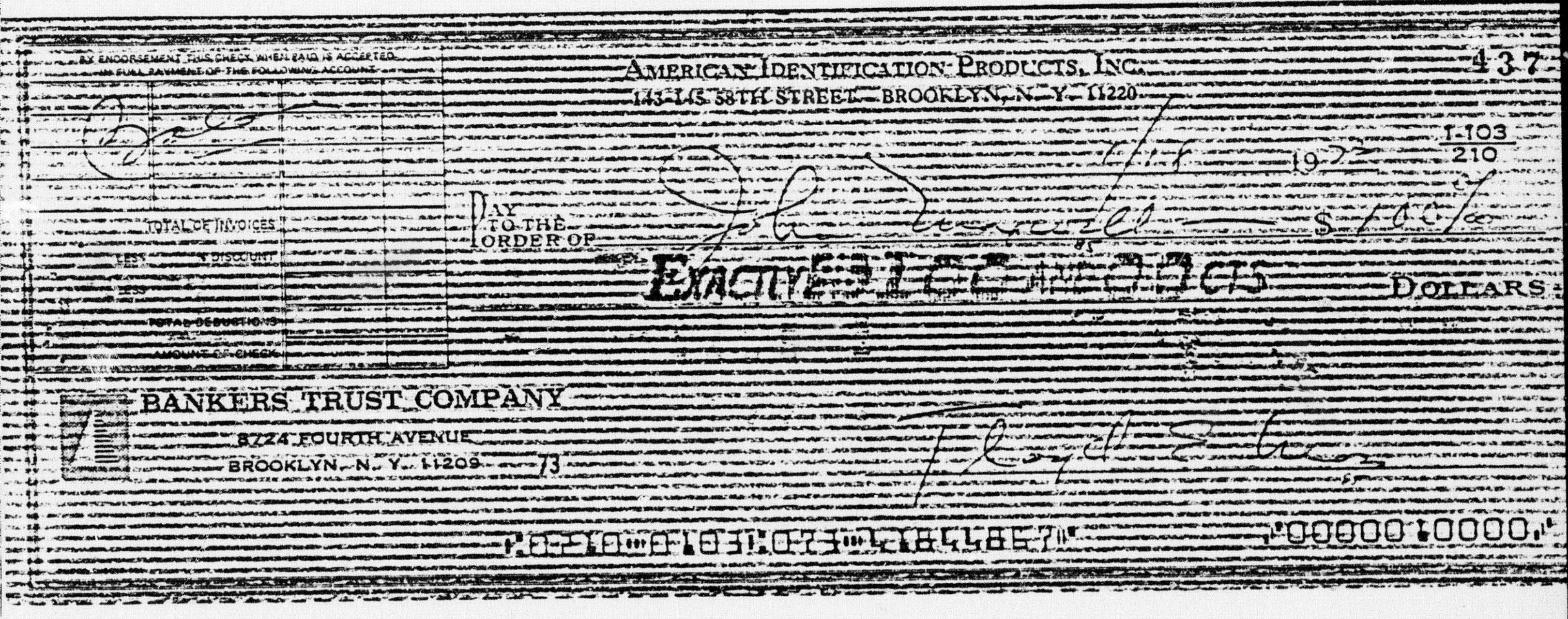
Floyd E. [illegible]

⑆0210⑈0103⑆023⑈4184486 7⑈ ⑆0000025000⑆



PAY TO THE ORDER OF [illegible]
[illegible] TRUST CO
[illegible] INC.
[illegible] 1973

415



BY ENDORSEMENT THIS CHECK WHEN PAID IS ACCEPTED IN FULL PAYMENT OF THE FOLLOWING ACCOUNT

TOTAL OF INVOICES

LESS % DISCOUNT

LESS

TOTAL DEDUCTIONS

AMOUNT OF CHECK

AMERICAN IDENTIFICATION PRODUCTS, INC.
143-145 58TH STREET – BROOKLYN, N. Y. 11220

437

1-103
210

7/18 1972

PAY TO THE ORDER OF [illegible] $ 100⁰⁰/₁₀₀

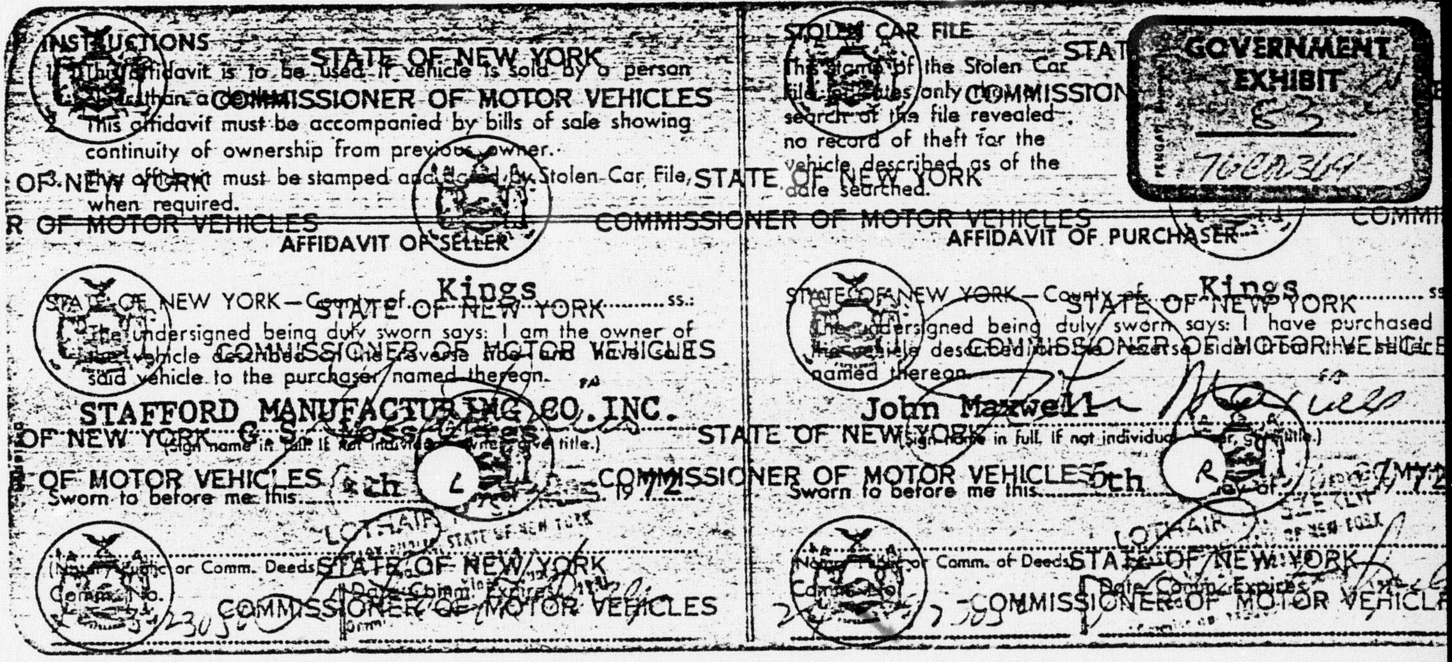
EXACTLY [illegible] 100 [illegible] 00 CTS DOLLARS

BANKERS TRUST COMPANY
8724 FOURTH AVENUE
BROOKLYN, N. Y. 11209 73

Floyd E[illegible]

[illegible] 0000010000

PAY TO THE ORDER OF
MANUFACTURERS HANOVER TRUST CO.
[illegible] Lock [illegible] Service, Inc.
JAN 18 1973
[illegible]



INSTRUCTIONS

1. This affidavit is to be used if vehicle is sold by a person other than a dealer.
2. This affidavit must be accompanied by bills of sale showing continuity of ownership from previous owner.
3. This affidavit must be stamped and sealed by Stolen Car File, when required.

AFFIDAVIT OF SELLER

STATE OF NEW YORK—County of Kings ss.:

The undersigned being duly sworn says: I am the owner of the vehicle described on the reverse side and have sold said vehicle to the purchaser named thereon.

STAFFORD MANUFACTURING CO. INC.
G. S. Moss Pres.
(Sign name in full. If not individual owner give title.)

Sworn to before me this 5th day of 1972

LOTHAIR
NOTARY PUBLIC STATE OF NEW YORK

(Notary Public or Comm. Deeds)
Comm. No. 2305
Date Comm. Expires

STOLEN CAR FILE

This stamp of the Stolen Car File indicates only that a search of the file revealed no record of theft for the vehicle described as of the date searched.

GOVERNMENT EXHIBIT
63
76CR314

AFFIDAVIT OF PURCHASER

STATE OF NEW YORK—County of Kings ss.

The undersigned being duly sworn says: I have purchased the vehicle described on the reverse side from the seller named thereon.

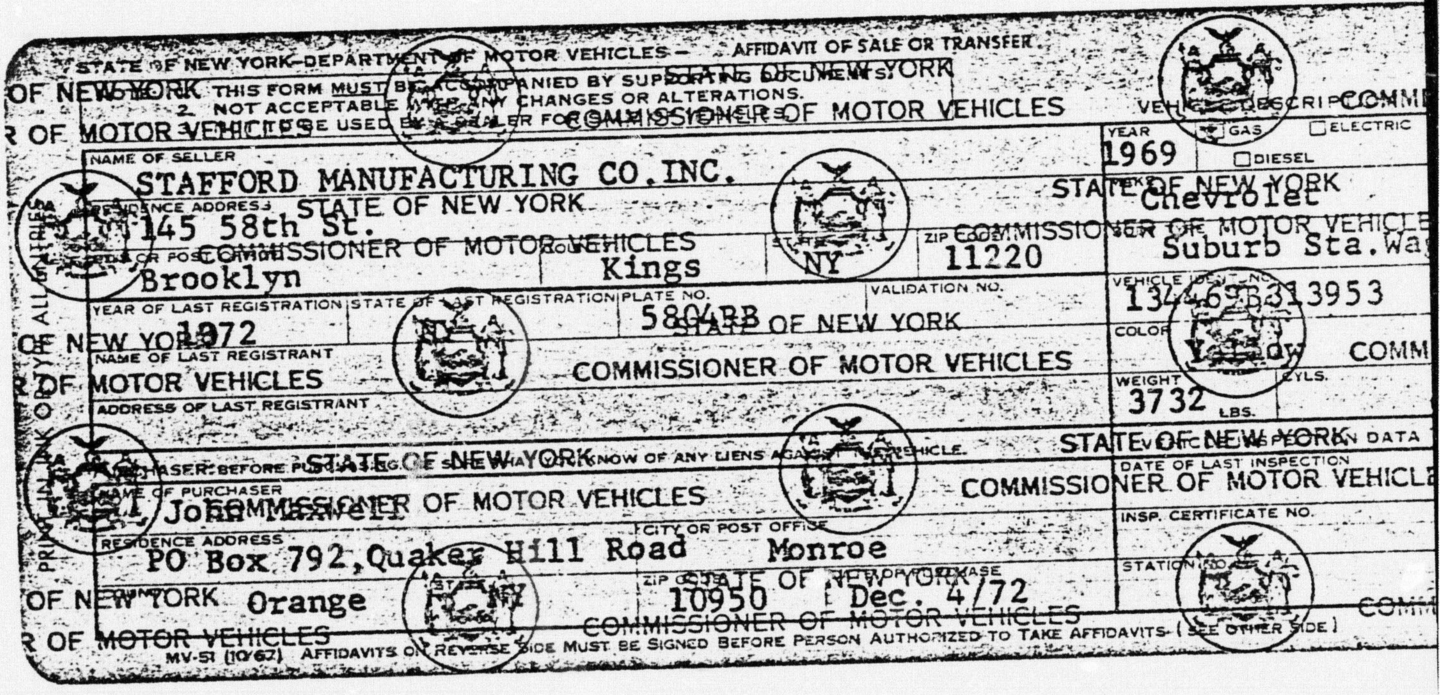
John Maxwell
John Maxwell
(Sign name in full, if not individual owner, give title.)

Sworn to before me this 5th day of 1972

LOTHAIR
STATE OF NEW YORK

(Notary Public or Comm. of Deeds)
Comm. No. 7303
Date Comm. Expires

418



STATE OF NEW YORK—DEPARTMENT OF MOTOR VEHICLES — AFFIDAVIT OF SALE OR TRANSFER

1. THIS FORM MUST BE ACCOMPANIED BY SUPPORTING DOCUMENTS.
2. NOT ACCEPTABLE WITH ANY CHANGES OR ALTERATIONS.
3. NOT TO BE USED BY A DEALER FOR SALES.

NAME OF SELLER: STAFFORD MANUFACTURING CO. INC.

RESIDENCE ADDRESS: 145 58th St.

CITY OR POST OFFICE: Brooklyn

COUNTY: Kings

STATE: NY

ZIP CODE: 11220

YEAR OF LAST REGISTRATION: 1972

STATE OF LAST REGISTRATION:

PLATE NO.: 5804BB

VALIDATION NO.:

NAME OF LAST REGISTRANT:

ADDRESS OF LAST REGISTRANT:

PURCHASER: BEFORE PURCHASING BE SURE THAT YOU KNOW OF ANY LIENS AGAINST THE VEHICLE.

NAME OF PURCHASER: John Maxwell

RESIDENCE ADDRESS: PO Box 792, Quaker Hill Road

CITY OR POST OFFICE: Monroe

COUNTY: Orange

STATE: NY

ZIP CODE: 10950

DATE OF PURCHASE: Dec. 4/72

VEHICLE DESCRIPTION

YEAR: 1969

☒ GAS ☐ ELECTRIC ☐ DIESEL

MAKE: Chevrolet

BODY TYPE: Suburb Sta.Wa

VEHICLE IDENT. NO.: 134469B313953

COLOR: Yellow

WEIGHT: 3732 LBS.

CYLS.:

VEHICLE INSPECTION DATA

DATE OF LAST INSPECTION:

INSP. CERTIFICATE NO.:

STATION NO.:

PRINT IN INK OR TYPE ALL ENTRIES

MV-51 (10/67) AFFIDAVITS ON REVERSE SIDE MUST BE SIGNED BEFORE PERSON AUTHORIZED TO TAKE AFFIDAVITS (SEE OTHER SIDE)

STATE OF NEW YORK
COMMISSIONER OF MOTOR VEHICLES

STATE OF NEW YORK
COMMISSIONER OF MOTOR VEHICLES

INSTRUCTIONS

1. This affidavit is to be used if vehicle is sold by a person other than a dealer.
2. This affidavit must be accompanied by bills of sale showing continuity of ownership from previous owner.
3. This affidavit must be stamped and dated by Stolen Car File, when required.

STOLEN CAR FILE

This stamp of the Stolen Car File indicates only that search of the file revealed no record of theft for the vehicle described as of the date searched.

GOVERNMENT EXHIBIT 84
76 CR 369

AFFIDAVIT OF SELLER

STATE OF NEW YORK—County of Kings ss.:

The undersigned being duly sworn says: I am the owner of the vehicle described on the reverse side and have sold said vehicle to the purchaser named thereon.

John Maxwell 14 John Maxwell
(Sign name in full. If not individual owner, give title.)

Sworn to before me this 4 day of Dec. 19 72

LOTHAR H. [illegible]
NOTARY PUBLIC, STATE OF NEW YORK

(Notary Public or Comm. Deeds)
Comm. No. 24-[illegible]3059
(Date Comm. Expires)

AFFIDAVIT OF PURCHASER

STATE OF NEW YORK—County of Kings ss.:

The undersigned being duly sworn says: I have purchased the vehicle described on the reverse side from the seller named thereon.

AMERICAN IDENTIFICATION PROD. INC. 15 [illegible]
(Sign name in full. If not individual owner, give title.)

Sworn to before me this 4 day of Dec 19 72

LOTHAR H. [illegible]
NOTARY PUBLIC, STATE OF NEW YORK

(Notary Public or Comm. of Deeds)
Comm. No. 24-[illegible]3052
(Date Comm. Expires)

STATE OF NEW YORK—DEPARTMENT OF MOTOR VEHICLES — AFFIDAVIT OF SALE OR TRANSFER

NOTE: 1. THIS FORM MUST BE ACCOMPANIED BY SUPPORTING DOCUMENTS.
2. NOT ACCEPTABLE WITH ANY CHANGES OR ALTERATIONS.
3. NOT TO BE USED BY A DEALER [illegible] VEHICLES

PRINT IN INK OR TYPE ALL

NAME OF SELLER: JOHN MAXWELL
RESIDENCE ADDRESS: PO Box 792 Monroe
CITY OR POST OFFICE: Quaker Hill Road COUNTY: Orange STATE: NY ZIP: 10950
YEAR OF LAST REGISTRATION: 1972 STATE OF LAST REGISTRATION: N.Y. PLATE NO.: 5804RB VALIDATION NO.:
NAME OF LAST REGISTRANT: STAFFORD MANUFACTURING CO. INC.
ADDRESS OF LAST REGISTRANT: 145 58th St. Brooklyn, N.Y. 11220

PURCHASER: BEFORE PURCHASING BE SURE THAT YOU KNOW OF ANY LIENS AGAINST THE VEHICLE.

NAME OF PURCHASER: AMERICAN IDENTIFICATION CO. INC.
RESIDENCE ADDRESS: 145 58th St.
CITY OR POST OFFICE: Brooklyn
COUNTY: Kings STATE: NY ZIP: 11220 DATE OF PURCHASE: Dec. 4/72

VEHICLE DESCRIPTION
YEAR: 1969 ☒ GAS ☐ ELECTRIC ☐ DIESEL
MAKE: Chevrolet
BODY TYPE: Suburb Sta. Wag.
VEHICLE IDENT. NO.: 134469B313953
COLOR: Yellow
WEIGHT: 3732 LBS. CYLS.:

VEHICLE INSPECTION DATA
DATE OF LAST INSPECTION:
INSP. CERTIFICATE NO.:
STATION NO.:

MV-51 (10/67) AFFIDAVITS ON REVERSE SIDE MUST BE SIGNED BEFORE PERSON AUTHORIZED TO TAKE AFFIDAVITS. (SEE OTHER SIDE)

STATE OF NEW YORK
COMMISSIONER OF MOTOR VEHICLES

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

RECEIVED AND FILED
APR 16 1973
MANUEL J. PRICE
REFEREE IN BANKRUPTCY

-------------------------------------x

In the Matter :
of :
STAFFORD MFG. CO. INC. :
Bankrupt :

-------------------------------------x

A CERTIFIED COPY
Manuel J. Price
[illegible]
Clerk
Dated: 12/15/76

United States Courthouse
Brooklyn, New York

April 5, 1973
11:00 a.m.

Before

HON. MANUEL J. PRICE
Referee in Bankruptcy

GOVERNMENT EXHIBIT
88
76 cr 369

RONALD E. TOLKIN
Official Court Reporter

Appearances:

MAX GOLDHABER, ESQ.
Trustee
44 Court Street
Brooklyn, N.Y.

BY: IRVING SCHNEIDER, ESQ.,
of counsel

MESSRS. HENRY & BRECKER
Attorneys for the Bankrupt
40 Exchange Place
New York, N.Y.

BY: WILLIAM J. HENRY, ESQ.,
of counsel

THE REFEREE: Stafford Manufacturing Co.

Mr. Moss, you understand that your testimony this morning is under oath?

MR. MOSS: Yes, I do.

GEORGE S. MOSS, 130 Grist Mill Lane, Great Neck, New York, having been previously duly sworn, testified as f[illegible]

EXAMINATION

BY MR. SCHNEIDER:

Q Mr. Moss, approximately when did you personally vacate the premises of Stafford subsequent to its adjudication, or at about its adjudication, which was sometime around August of 1972?

A The adjudication was in August, I think August 8th of 1972, and the -- I think on August 20th 1972, or thereabouts, we turned over the keys to the auctioneer.

Q The auctioneer, Mr. Fein?

A Yes, Mr. Fein's representative.

Q Now, prior to your adjudication -- when I say "your," I mean Stafford, of course, did you remove any property at all from the premises?

A No, sir.

Q Was any property removed at any time from the premises by anyone?

A Working for Stafford?

Q Well, either working for Stafford or not working for Stafford.

A No, the only property removed was the property removed by the sale.

Q So that when the bankrupt was adjudicated, everything that was originally on the premises remained on the premises, right?

A At that time, yes.

Q Now, do you recall that, is it United Credit -- United Credit Corp. was the factor?

A Yes.

Q And United Credit Corp. had a lien on all the assets of Stafford?

A The equipment and most of the accounts receivable, yes.

Q Now, you executed, on behalf of Stafford, a security lien on all the machinery and physical assets to United Credit?

A Yes.

Q Do you recall that there was on the premises at the time you executed a lien to United Credit an FCM Model 33 Electromatic Copier?

A I don't recall. It might well have been, sir.

Q Was that taken out?

A No, sir.

Q Do you know where it is now?

A No, I don't know anything about it.

Q Do you know that it was not included in the auction [illegible] by Mr. Fein?

A I do not know that at all.

Q Do you recall Stafford owning that item?

A I recall that Stafford had a copier. I don't know which model it was. I also believe that a copier was sold at the sale, but I'm not sure.

Q Did Stafford own an IBM typewriter?

A Stafford owned IBM typewriters, yes, at one time.

Q Can you tell us what happened to the IBM typewriter?

A I don't know anything about that, sir. I thought they were sold at the sale. I do want you to know that once the Fein organization took over Stafford had nothing to do with it. I also want you to know that when they took over, different times I noticed them passing the factory that the doors were open.

Q I show you a schedule of equipment not on premises as of the date of sale, prepared by Martin Fein & Co., Inc., which I ask you to look at, and tell me whether you have any knowledge with respect to any of the items on this schedule, as to what happened to each of these items.

A I'm not familiar with a number of those items, sir, and I don't know -- as far as -- I don't know where they are or what happened to them. I do know that the plant had been left open at different times, before and well before --

Q What do you mean, "left open"? By whom?

A Well, there were crews working in the plant prior to the sale, prior to the adjudication.

Whose crews?

A Stafford, and we had at different times material that was missing. Secondly, I don't know -- I did see at one time, or at least one occasion, when the equipment was under the jurisdiction of the Fein organization, doors to the premises were open and strangers were walking through. Thirdly, I'm not familiar with a number of these pieces. I do know we [illegible] at one time a copier, and we did have some IBM machines. As far as I knew, whatever there was was at the sale. I took nothing, sir.

Q Will you tell me whether any of the items on that schedule were taken out, to your knowledge -- look at the schedule.

A You mean taken out prior -- other than at the sale?

Q Taken out by Stafford or by you or by anybody --

A No, sir.

Q -- or anybody else.

A No, sir. Not taken out by any authorized representative of Stafford or myself or anyone I know. As far as I know, these were at the sale.

There were many, many lots, I might point out also; there were roomsful of material and equipment that were not otherwise identified at the sale and were sold as lots.

Q Were you present when any representative of Fein inspected the items on the premises?

A No.

Q Who was, for Stafford?

A No one was. The keys were turned over to Fein. He took over.

Q Did you turn them over personally?

A No.

Q Who did?

A My brother. I was not there. I was out of town at the time. My brother turned over the keys, and I also think they broke in.

Q What is your brother's name?

A Nathan.

Q When did he turn over the keys?

A On or about the time when Fein came in.

Q About when?

A I think it was about the 15th or 20th of August.

Q And who broke in?

A Fein broke in, by the way.

Q What do you mean, "broke in"?

A They -- Some doors were broken by Fein, Fein's representative.

Q Why?

A I don't know. There were no keys available and they broke into certain offices. They admitted they had.

Q Were there any break-ins by any unauthorized persons that were reported to the police?

A No.

Q Were there any thefts reported to the police?

A No. There were thefts, I know, during the course of the years, but not reported.

Q Why?

A Because when a -- we just had -- there was one theft occurred this morning, because when a piece of equipment is missing we don't know how -- any piece of movable equipment, a typewriter or a piece of office equipment is lost or missing, there's no point to reporting it; you know that.

Q Were you covered by any insurance?

A General insurance, but not on individual items. It wouldn't pay if something was missing to report it. I know over the course of the years we lost a lot of equipment, Mr. Schneider.

Q How?

A It disappeared. Anything that could be handled, you know, for instance, about the City of New York. Anything that's movable it generally has a way of disappearing if you have it long enough.

Q Approximately when did you give this lien to United Credit?

A Several years ago. I would say 1966 or 1967.

Q And those items were on the premises at that time?

A I don't know. They may have -- some of the -- throughout the years, I might also point out to you items were sold, were replaced, were -- for newer items and things of that sort. I won't say that all these items were on the list. I don't know.

Q What was the name of the insurance company that covered your insurance?

A Well, I can give you the name of the broker.

Q What's his name?

A Jack Dorman.

Q Address?

A I think it is 111 John Street. I don't know which one of the insurance companies covered.

Q Now, did you or didn't you have any theft or burglary insurance coverage?

A I'm sure we had.

Q And if you had, then why wasn't the disappearance of the items reported?

A I don't know that -- I'm not saying that these items disappeared; I'm not familiar with these items, Mr. Schneider. I don't want you to ask me -- to try to have me indicate that I can make a positive statement about these particular items. I am merely stating to you that the -- You asked me whether I had any -- whether I knew anything about this equipment, whether it had disappeared or that it wasn't in the sale. I don't know whether it was in or was not in the sale.

Q Mr. Moss, are you now in a similar business as was Stafford?

A I'm working in an organization that does some similar work but not, by the way --

Q What is the name of the organization?

A American Identification.

Q Are you an officer of it?

A No, sir. I might point out that --

Q What is the full title of American Identification?

A American Identification Products, Incorporated.

Q At what address?

A 145 58th Street.

Q Those are the same premises that were formerly occupied by Stafford?

A Partially.

Q Part of the premises?

A Part of the premises.

Q I see.

A I might point out, incidentally, that a look at a good deal of this equipment, almost -- there isn't any of this equipment, really, that has any application to the business we're in.

Q You are saying, then, that none of these items are presently on the premises of the American Identification Company?

A That's right.

Q And never were?

A Oh, I'm sorry. Anything that we bought at the sale, anything that was bought at the sale by American Identification would be on the premises of American Identification.

Q Did you buy any of the --

A I don't know.

Q -- items on that schedule?

A I just don't know, sir. It would have to be checked against the --

Q Will you furnish me, please, with a schedule of what American Identification bought at the sale?

A Certainly. I will do that.

O.K.

MR. HENRY: May I have a copy of that to check that.

MR. SCHNEIDER: Certainly.

THE REFEREE: Will you mark that for identification.

MR. HENRY: I'd like to have a copy of that, if I could, so I can check it off.

MR. SCHNEIDER: I'll send it to you.

MR. HENRY: Thank you.

(Document marked Trustee's Exhibit 1 for identification.)

Q Now, Mr. Moss, are you familiar with equipment shipped to Stafford by Sterling Utilities Company sometime around June 1972?

A No.

Q Are you familiar with a Sterling 30 KVA spot welder?

A No, I'm not familiar with that.

Q Are you familiar with a Scissor Welder with cables and transformer, shipped by Sterling?

A No.

Q Did you ever see it?

A Not to my knowledge. I'm not familiar with it.

Q Who in Stafford, or who formerly with Stafford, would be familiar with this equipment?

A Well, if it's welding equipment, I presume a welding foreman would be familiar with it.

Q And may I have his name, please?

A I don't remember.

Q To help refresh your memory, I show you a delivery receipt, what appears to be a delivery receipt. Can you identify the signature on it?

A I can probably locate the name of the welding foreman for you. The figures are up at Roberts & Leinwander. I'll get the name of the foreman for you.

Q Do you have -- I'll withdraw that. In your present association you do not have any of the welding equipment that I have described?

A No, we don't do any welding or machining or anything like that.

Q Now, you have been informed by me heretofore, am I correct, Mr. Moss, that you are obligated and required under the Bankruptcy Act to file with this court a verified statement of operations of the debtor in possession, including all accounts receivable, accounts payable, contracts, and matters of that nature?

A Yes.

Q Have you done that?

A We have filed with you the debtor in possession -- the accounts payable.

Q You say you have filed with me. You furnished it to me several days ago.

A Yes, we did. I might point out here that I asked the former bookkeeper to go to Roberts & Leinwander to secure the list of the statements from the accounts payable, creditors, because the mail was not received by us but was received by Mr. Goldhaber's office.

My girl appeared at Roberts & Leinwander. After several starts, she was advised that the statements were available from Mr. Goldhaber's office. Mr. Goldhaber's office apparently has denied the records are available, so we went to a carton that were in Stafford, they had been left by Stafford, and there were some cartons taken out which were originally in file cabinets, sold by Fein and removed in cartons, and I took possession of those cartons and I went through -- Mrs. Wallach went through the cartons, located the accounts payable sheets or statements, and from that prepared a list of the accounts payable. As I stated in my letter to you, I am not sure they are correct. I have not seen nor has she seen the latest statements in Roberts & Leinwander's possession.

Q While you were operating as a debtor in possession you were paying bookkeepers and accountants?

A Certainly was.

Q Did you keep -- Did you maintain records?

A We kept all records of accounts, yes.

Q And as of the date of adjudication in August 1972 were your books properly kept? Were they up to date as of that date?

A Yes, sir.

Q Well, if that's the case, then why is there any difficulty in your complying with the order of the court?

A I'm not saying that we're not complying with the order of the court. I do want to point this out to you, though. Over the course of some months, since August, I have reason to believe -- and I did see them when Mr. Goldhaber opened some of the mail -- I'm glancing by -- there must have been statements sent by creditors to Stafford Manufacturing Company insisting on payment of their claim. As a matter of fact, from time to time I've had telephone calls --

Q Mr. Moss, if your records were properly kept and were kept up to date, why is it difficult for you to furnish us with a verified list?

A We did furnish it, sir; we did furnish it. I have reason to believe it was correct.

Q Is this the list you furnished to me?

A Yes, we did. Yes, that is the list we furnished.

Q Now, it is your testimony here that this list is substantially correct; is that right?

A That's right.

Q And that it contains a list of all the people to whom the debtor in possession owed money?

A Accounts payable.

Q Yes.

A Yes, sir; that's substantially correct.

Q You are required to verify that, which you haven't yet done. Will you have it verified?

A What do you mean by verify? How do you prepare a verified statement?

Q Before a notary, you verify it. I will advise you after the session.

A O.K. I'll be glad to.

Q Now what about the accounts receivable of the debtor in possession?

A I don't have a list of the accounts receivable.

Q Why?

A Because they were in the hands of the United Credit and Mr. Goldhaber. I have reason to believe that --

Q But you said your books were kept up to date.

A Yes.

Q And the books were made available to you at Roberts & Leinwander, weren't they?

A Yes.

Q Then why are you having difficulty in getting that information?

A I'm not saying we're having any difficulty. By the way, I might point out to you that the amount of moneys that are due after August 8th were minimal, because the --

Q Due to whom? To United?

A Yes. I'd like to explain to you why. I think that Mr. Goldhaber's office paid, or Mr. Fein's office paid United Credit what was due them at the end of 1972. Up to that time they had been taking --

Q My question to you is why are you having difficulty in filing with the court a verified list of the debtor in possession accounts receivable?

A I will have the young lady, Mrs. Wallach, find out what is due and what apparently remains open on the books and give it to you. I have given you a very important one. I have given you the bulk of our accounts receivable.

Q Please respond.

A Yes.

Q Now, if your books are up to date there shouldn't be any difficulty in your furnishing us with the information.

A I will get that for you, but I have furnished you a very vital portion of the accounts receivable. There's such a tremendous amount of money --

Q Which one are you referring to?

A IRI Associates.

MR. SCHNEIDER: We will go into that at another time.

THE WITNESS: Bulk -- bulk -- by far --

Q I'm asking you to give me a list. You may include that on the list of receivables.

A But -- but --

Q Now, are you familiar with a concern, General Housewares Corporation, located in Indiana, Terre Haute?

A Not directly, no. I may have heard the name. I don't recall that.

Q Did you receive any merchandise from them on behalf of Stafford?

A My mother-in-law bought some merchandise and paid for it. It never went through the Stafford books.

Q It did not go through the Stafford books?

A No. And I just gave the Stafford name. It was paid for. At her house it was paid, for some cooking pots.

Q This was billed to Stafford; is that correct?

A It was an error, and it was paid by my mother-in-law.

Q When?

A Some time ago; several months ago. A hundred and some-odd dollars. And it was shipped to my mother-in-law's home and paid for by her.

Q It had nothing to do with Stafford operations at all?

A Nothing whatsoever.

Q Were there any deposits with any of the utility companies?

A As far as I know there were. Yes, I'm sure there were.

Q What was deposited with the electric company?

A I'm not sure, but I can find out very easily. I'm sure that that's available in the records.

Q That's part of your DIP data that you are required to furnish, with respect to all utilities.

A Include these in the accounts receivable?

THE REFEREE: Let me ask you this:

Doesn't Henry & Brecker represent you any more?

THE WITNESS: Good morning, Mr. Henry.

MR. HENRY: Good morning.

THE REFEREE: Don't they represent you any more?

MR. HENRY: Well, we represent the bankrupt corporation, yes, except that they usually conduct the examinations. And I didn't know my favorite client was here today.

THE REFEREE: Except that ordinarily aren't these reports prepared by the attorney after receiving the information, so that it can be submitted to the court in appropriate form?

MR. SCHNEIDER: The answer is yes, but it hasn't been done.

MR. HENRY: We've advised him as to these th[illegible] don't --

THE WITNESS: I thought I would, you know, I don't mean to --

MR. HENRY: Every time we received a communication from Mr. --

THE REFEREE: Except when this examination was being conducted, I saw that Mr. Henry was in the courtroom --

MR. SCHNEIDER: I didn't know that he was here.

THE REFEREE: I saw that Mr. Henry was in the courtroom, but that he was not participating, and it seems to me that --

MR. SCHNEIDER: He didn't even know it was on this morning.

MR. HENRY: I didn't kow it was on this morning.

MR. SCHNEIDER: He was not here for this case. That's why I didn't expect him; I didn't know he was here.

THE REFEREE: Except that hereafter I'm going to require that someone come in representing Stafford. It can't appear in person; it must appear by an attorney.

MR. HENRY: Yes, we'll be happy to appear, your Honor.

THE REFEREE: Yes.

THE WITNESS: I'll turn all the information over to you, then?

MR. HENRY: You submit the information to me and I'll put it in proper shape and form for Mr. Schneider.

MR. SCHNEIDER: Off the record.

(Discussion off the record.)

MR. HENRY: You want the debtor in possession obligations --

MR. SCHNEIDER: Here is a copy of the order that the Referee made designating Mr. Moss as the officer under Section 7ab of the Bankruptcy Act to file statements of affairs.

THE REFEREE: Do you have a copy of this?

THE WITNESS: No.

THE REFEREE: Was it served on Henry & Brecker?

MR. SCHNEIDER: No, I'm serving it on him now.

THE REFEREE: That's the reason why I suggest that it be done in a more formal fashion. It should be done in a more formal fashion.

MR. HENRY: I am going to hand this to you, and you see that I get it back, Mr. Moss.

THE WITNESS: I certainly will.

MR. HENRY: It looks like you and I will have to have an appointment in the very near future.

THE WITNESS: Good.

Q Stafford Manufacturing owned automobiles;

is that correct?

A Yes. At one time it did.

Q Well, answer the question. They owned automobiles.

A Yes.

Q Which automobiles did they own? Describe them.

A They owned a truck and a station wagon.

Q And what happened to the truck?

THE REFEREE: What kind of truck and what kind of station wagon?

THE WITNESS: 1967 truck, panel truck.

THE REFEREE: What kind?

THE WITNESS: Chevrolet panel truck.

THE REFEREE: What year?

THE WITNESS: 1967, and a 1969 station wagon.

THE REFEREE: What kind?

THE WITNESS: Chevrolet.

I'm sorry, I think the truck was a GMC.

Q And what happened to these vehicles?

A They were sold in 1972.

Q When in 1972?

A I think in February and April of 1972.

Q To whom?

A To a party who came and wanted to purchase them. But I might point out that both were in very --

Q Answer my question.

A I can get you the name. I don't know the name. My brother sold them.

Q Well, he didn't walk in off the street, did he?

A No, no. My brother got in touch with somebody, and I will find out the name of the man. We sold it to someone, and we were paid for it, and we --

Q How much? How much were you paid?

A I think we --

THE REFEREE: Was this sold pursuant to an order of the court?

MR. SCHNEIDER: No.

THE WITNESS: I think we were paid $600 for the truck and $300 or $400 for the station wagon, and they were sold. We had no use for --

Q Did the court authorize it?

A I don't recall whether the court authorized it or not, but I do say the money went into the business.

Q Which business?

A Stafford Manufacturing.

Q Whose bank account?

A Stafford's.

Q Was it check or cash?

A I don't recall. I don't recall. I can find out. I'm sure it's part of the record.

Q Who negotiated the sale?

A My brother did.

Q Was that some friend of your brother's?

A No.

Q How did he get the customer?

A I don't recall the circumstances. I don't know if he advertised. The fact of the matter is that the station wagon had about 100,000 miles on it, it had been used in label plate business --

Q That's not what I'm asking.

A I'd like to point this out to you.

Q Did you or your brother ever use the cars after that?

A No.

Q Never?

A No, they were sold.

Q Were these cars also included in the lien given to United Credit?

A No, I don't think so.

Q Do you know about a 1969 Chevrolet passenger car?

A I told you. That's the station wagon.

Q Was that the station wagon?

A Doesn't it say -- doesn't it identify it as a station wagon. I mean --

Q No. I'm showing you the registration.

A Suburban, it says, Chevrolet suburban. YW, which stands for "wagon." I don't know what the "Y" stands for. It's a Chevrolet suburban station wagon.

I'd like to say for the record -- you don't mind my saying something, your Honor? Mr. Schneider has asked me some questions. I want to point out that both vehicles were in a bad state of disrepair and would have cost us more to continue utilizing the vehicles than what we got for them.

Q How much did they cost you originally?

A I don't know. I think that the station wagon cost in the neighborhood of two thousand some odd dollars, and the truck, maybe $3500 or $3,000.

THE REFEREE: Except that under the terms of the order continuing you in business you had no right to sell this equipment without an order of the court. The order -- and we have discussed this many, many times -- the order continuing you in business provided you were only to do business

Hemlock

in the regular course.

THE WITNESS: Yes. Regular --

THE REFEREE: You were not to buy and sell-- you were not to sell any of the assets of the business, and I think the order is very explicit that any sale outside the ordinary course of business was only to be made on court order. I think the order is --

THE WITNESS: I was under the impression that a couple of beat up pieces of equipment for which we received the money and deposited it in the bank would really not be a sale beyond the scope of the business activity. I apologize that I did not know.

THE REFEREE: It was, Mr. Moss. The impression was wrong. And if you had consulted your attorneys I am sure they would have told you that it could only be sold on an order of the court.

Q Had you tried to sell the cars elsewhere before?

A At that time it was decided to get rid of them --

Q Who decided?

A My brother and myself decided to get rid of the

There was no point in keeping them because of the -- the station wagon had over 100,000 miles on it, having used in Baltimore on the ships.

Q Did you find out if you could get more money than what you had actually received?

A I'm sure he did at that time.

Q Did you?

A No, I didn't. I was not involved in it at all. I was trying to keep the business together.

Q What efforts did your brother make?

A I don't know what he made, but I am sure he knows how to sell items and purchase items; he handles that. That's his phase of the business. He buys material and it's in production. He used to buy whatever we needed.

Q Does your brother have a car now?

A He drives a car now, yes.

Q Either of these cars?

A No, sir.

Q Were these cars traded in, do you know?

A No, sir.

Q Do you have a car?

A Yes, sir.

Q Were they traded in --

A No, sir.

Q Is there any connection between the cars each of you have?

A None whatsoever.

Q And the cars that were sold?

A None whatsoever.

Q Did you buy -- Is this man that bought your car in the car business -- used car business?

A As far as I know he was.

Q Where?

A Up in Haverstraw or Spring Valley or in Jersey. I don't --

Q Did you buy a car from him, your present car?

A No, sir, I didn't have anything --

Q Did your brother buy a car from him?

A No, sir.

Q Did you ever buy any cars from him?

A No, sir.

Q Now coming down to this Bethlehem situation.

MR. SCHNEIDER: I'll just be a few minutes.

THE REFEREE: Take your time.

Q Coming down to this Bethlehem situation --

A Have you got the few minutes? Do you think you can do that in a few minutes, Mr. Schneider?

MR. HENRY: Just respond to the questions and don't elaborate.

THE WITNESS: I'm sorry.

Q Do I understand correctly that Bethlehem was the prime contractor on a Navy contract?

A Yes.

Q And that you were a subcontractor --

A Yes.

Q -- one of the subcontractors. And that your contract as a subcontractor was with Bethlehem; is that right?

A Yes.

Q And under the specifications of your subcontract with Bethlehem had you performed, had Stafford performed all the work required of it under that subcontract?

A Yes.

Q [illegible] Stafford paid for the work it did directly under that subcontract?

THE REFEREE: How do you mean? Paid by the government?

MR. SCHNEIDER: Bethlehem or by the government. I'm not talking of changes in specifications; I'm talking of the original specifications.

A Stafford was paid -- Want me to read some of the original contracts by Bethlehem?

Q For the original work done?

A For the original work performed.

Q And then --

A And for some additional work performed.

Q Yes. And then subsequently there were changes and additions?

A Correct, there were change orders for work that Stafford had performed and for which Stafford was paid by Bethlehem.

Q Right.

THE WITNESS: And your Honor will recall, if I may, when I first saw you in August of 1972 with Mr. Brecker, I explained that there was some $50,000 or $60,000 in extras I was getting from Bethlehem.

THE REFEREE: August of '72?

THE WITNESS: Of '70, I apologize.

THE REFEREE: Yes.

THE WITNESS: In your office, and we did, in fact, receive, as I told you, over the course of time, approximately $50,000 or $75,000 -- $60,000 additional from Bethlehem.

Q Now, under these additions or changes subsequently that Stafford continued to perform services and furnish materials, were these pursuant to any written agreement with Bethlehem?

THE WITNESS: Would you repeat that, please?

THE REFEREE: On the extra work that you did, did you have any specific agreement with Bethlehem concerning that?

THE WITNESS: Yes, we did, your Honor. We had a number of change orders from Bethlehem.

Q Were those change-over agreements in writing?

THE REFEREE: Change orders.

A When I say change orders, I mean that they were written change orders. For those we were compensated.

Q Were there also oral change orders?

A You didn't mean to ask that question that way.

THE REFEREE: Let me ask you this:

During the course of the work that you did on these ammunition carriers -- is that what they were?

THE WITNESS: That's right, sir.

THE REFEREE: You were supposed to do certain specific work in labeling the particular areas of a vessel.

THE WITNESS: That is correct.

THE REFEREE: And what would happen during the course of construction, sometimes you would get a written change order from the representative of Bethlehem at the yard; is that right?

THE WITNESS: That's correct.

THE REFEREE: You were paid for those?

THE WITNESS: That's right.

THE REFEREE: There is no balance due from Bethlehem on those?

THE WITNESS:

THE REFEREE: But did there come times when the Navy inspector or the person in charge of the job would say to you, "Instead of putting in [illegible] in this particular place, I want you to put in 52"?

THE WITNESS: Inversely that's what took place. That's substantially what took place.

I might point to your Honor just to clarify it: This was a continuing thing. If it hadn't been a continuing thing this wouldn't be the problem that it is. It was a continuing matter, and new systems were put aboard the ship and changes were made by the Navy and by Bethlehem and areas were changed about, and consequently Stafford had to put on additional plates and during the course of time post facto, ex post facto, change orders would come in covering it; sometimes Stafford received change orders prior to performing the work.

And there came a time at the end when a great deal of work had been accomplished for which no change orders came down.

THE REFEREE: Mr. Schneider's question to was were some of them done merely on oral change orders?

THE WITNESS: Practically, yes.

THE REFEREE: The answer to that must be yes.

THE WITNESS: That's correct, sir.

THE REFEREE: Is that right?

THE WITNESS: That's right.

THE REFEREE: So that you had written change orders for which you were paid, and there were also many oral change orders --

THE WITNESS: Which are called constructive change orders. That's just a phrase that they use.

THE REFEREE: So that those were not paid for, those constructive change orders.

Is that right?

THE WITNESS: Yes. I wanted to clarify it.

Q [illegible] these constructive change orders were given to you by whom? The Navy, or by Bethlehem? Or by both?

A Well, practically speaking, the constructive -- these change orders, or this additional work, was performed at the behest of the Navy, either because of specific verbal orders or because of the fact that there was a res ipsa loquitur situation, a machine was turned around or put in another area and it had to be marked, because at that point it didn't have the proper marking.

THE REFEREE: In other words, there were changes in constructions of the vessel --

THE WITNESS: Right.

THE REFEREE: -- which necessitated additional markings in additional areas.

THE WITNESS: That is correct.

I want to just explain this one thing to you: There are just two things: constructive change orders and written change orders. All the millions of dollars sought by all the shipyards in the country and by Lockheed and others would not be before the government if they had written change orders. They're all constructive change orders.

Q My question, then, to you, was whether these constructive change orders came from Bethlehem or the Navy or from both?

THE REFEREE: I think that the answer to that is, sometimes they were specific oral change orders which came either from the Navy or Bethlehem or sometimes by reason of the removal or the change in machinery additional labels or markings were required which had to be put in without a specific direction.

THE WITNESS: That is correct.

THE REFEREE: Is that a fair statement?

THE WITNESS: I couldn't do any better. That's exactly what took place.

Q Did you at any time bill for these constructive orders, anyone, and if so, whom?

A I have [illegible] billed for them, because as part of our -- [illegible] request for additional compensation, which was finally made a part of the -- which was finally incorporated in the claim, Stafford submitted invoices.

Q To whom?

A To Bethlehem, who was our customer covering this, so that Bethelehem, in turn, would have some basis on which to present its argument to the government.

Q And these invoices comprised your entire claim for the total of unpaid change orders?

A I can't be sure of that. I don't recall. I cannot be sure of that. Many of these were pro forma invoices, too, because I did not want to put a lot of claims on the books which --

Q Well, did you make a claim directly against the Navy?

A We couldn't make it direct against the Navy.

Q You could or couldn't?

A We couldn't. We had to make it to Bethlehem, because Bethlehem was the prime contractor.

Q Do I understand you gave a general release to Bethlehem at one time?

A It was not a general release. It was a form of release. At one time when Bethlehem -- and your Honor will recall this -- in January of 1971 and early February, when I sought to present my claim to Bethlehem and Bethlehem agreed to permit me to handle the claim, to put the claim in based on Stafford's figures and authorized George Moss, because of our particular knowledge in the matter, to handle the claim.

Bethlehem wanted a release in the amount that I received from the Navy. In other words, I was given the authorization to proceed and negotiate with the Navy myself.

THE REFEREE: Directly.

A Directly. And as part of that agreement I gave -- Stafford gave a concession to Bethlehem to the effect that whatever we settle for, whatever Stafford settled for with the Navy, Stafford would accept as total payment and would release Bethlehem.

THE REFEREE: You would not hold Bethlehem for any additional amount beyond that which the Navy would pay you; is that correct?

THE WITNESS: That is correct.

Q What did the agreement provide with respect to no payment from the Navy?

A If I accepted --

Q What if the Navy paid you nothing?

A If I agreed to accept nothing, which I haven't agreed to by a long shot -- if I agreed to accept nothing, then I have reason to believe that I would not have any rights against Bethlehem. But I wouldn't agree to accept nothing.

Q What if you have not agreed to accept nothing and the Navy refused to pay anything?

A That was left open.

Q Do you have a copy of that agreement with Bethlehem?

A I am sure I have, if I can locate it.

Q Will you furnish it to me?

A Yes, I will.

Q Is it your contention then, that by that agreement you relinquished all claims against Bethlehem arising out of all work that you did for either Bethlehem or the Navy?

A Yes. I -- To the --

THE REFEREE: In other words, you would -- Let me ask you if this is the import of that agreement. I'm sure that the release will speak for itself, but was it your understanding that you would only look to the government for payment and if the government didn't pay you you would not look to Bethlehem for reimbursement.

THE WITNESS: If I accepted what the

government -- if I accepted the government's refusal to pay, your Honor. In other words --

THE REFEREE: Would you then have a claim -- Did Bethlehem give you the right to proceed against the government directly, or assign to you any right, title or interest it had in any claim on your behalf that it had against the government? It had to be a two-way street.

THE WITNESS: Yes, Bethlehem gave me the right to continue to have my claim in with their claim as part of their claim to the government.

MR. HENRY: I think we'll have to look at the document.

THE REFEREE: I think the document -- I think the document would speak for itself. It had to be two ways. No. 1, it would have to give up its right to claim any overage on the Stafford claim.

You see, in other words, if Stafford had a claim for $1,000 --

MR. SCHNEIDER: I understand, sir.

THE REFEREE: If Stafford had a claim for $1,000, it authorized Stafford to go to the government, negotiate, and make its deal with the government, but it then would have to say that when Stafford made its deal with the governmen, it then could not make any claim for overhead or --

MR. SCHNEIDER: Well, that leaves open a very important point, then.

THE REFEREE: Of course it does.

MR. HENRY: That may be academic, because if such an agreement, even if it had that effect, were made during the debtor in possession period, he couldn't waive a claim.

MR. SCHNEIDER: No validity.

THE REFEREE: And also the government may take the position that they didn't recognize, they would not recognize Stafford as an entity because there was no privity of contract.

MR. SCHNEIDER: That's right.

THE REFEREE: Between it and Stafford.

MR. SCHNEIDER: You will furnish that to me as soon as possible?

THE WITNESS: Right.

MR. SCHNEIDER: All right. I would like to adjourn this to sometime around the middle of

May. I'm going to be away for a while. Can you put it on the 20th or so of May, please?

THE REFEREE: All right.

And in the meantime, hopefully, how about the 22nd?

MR. SCHNEIDER: Fine.

THE REFEREE: The statement of the debtor's operations during the course of the debtor in possession will be furnished and secondly, copies of the purported agreement between the debtor and Bethlehem --

MR. SCHNEIDER: Oh, I hope to get that from him, yes.

THE REFEREE: So that you then will be able to make whatever determination you feel is appropriate.

MR. SCHNEIDER: Right.

THE REFEREE: May 22nd, at 11:00 o'clock.

MR. SCHNEIDER: Thank you.

That is all, Mr. Moss.

THE REFEREE: You may step down.

THE WITNESS: Thank you, your Honor.

THE REFEREE: You're welcome.

AFFIDAVIT OF MAILING

STATE OF NEW YORK
COUNTY OF KINGS } ss
EASTERN DISTRICT OF NEW YORK

DOLORES M. BYRD being duly sworn, deposes and says that he is employed in the office of the United States Attorney for the Eastern District of New York.

That on the 17th day of June 1977 he served a copy of the within APPENDIX FOR APPELLEE

by placing the same in a properly postpaid franked envelope addressed to:

GRAHAM HUGHES, ESQ., 40 WASHINGTON SQUARE SOUTH, N.Y.,N.Y. 10012

and deponent further says that he sealed the said envelope and placed the same in the mail chute drop for mailing in the United States Court House, ~~Washington Street~~ 225 Cadman Plaza East, Borough of Brooklyn, County of Kings, City of New York.

Dolores M Byrd

Sworn to before me this 17th day of June 1977

Barbara A Allen

BARBARA A. ALLEN
Notary Public, State of New York
No. 24-4646824
Qualified in Kings County
Commission Expires March 30, 1979